

Sh. Abduvakhobov is a teacher

Samarkand Institute of Economics and Service

[*shaxzodabduvahobov@mail.ru*](mailto:shaxzodabduvahobov@mail.ru)

Abstract: *The Banking industry plays an important role in economic growth and environmental protection by promoting environmentally sustainable and socially responsible institutions. The banking of this kind can be termed as “Green Banking”. Change is the need of the hour for survival in all spheres. Banks can provide important leadership for the required economic innovation that will provide new opportunities for financing and investment policies. Green banking means promoting environment friendly practices and reducing carbon footprint from banking activities. This comes in many forms viz., using online banking instead of branch banking, paying bills online instead of mailing them, opening of commercial deposits and money market accounts in online banks etc.*

Keywords: *Environment protection, Green banking financial products, sustainable development, Green Banking, commercial banks.*

The banking industry influences both economic growth and development, both in terms of quality and quantity, leading to a change in the nature of economic growth. Therefore, banking sector plays a crucial role in promoting environmentally sustainable and socially responsible investment. Banks may not be the polluters themselves but they usually have a banking relationship with some companies/investment projects that are polluters or could be in future. Banks also contribute to ecological footprint directly and indirectly through investment/lending in their customer enterprises. As such they need to play a key role in optimizing /reducing the carbon footprint. It is said that what is not measured, is not managed [1,4].

Characteristics features of Green Banking:

Depending on the state, a green bank may conform to a variety of forms, utilize many different public funds, and create a diverse array of financial products. Banks may utilize financial tools such as long-term and low interest rate loans, revolving loan funds, insurance products and low-cost public investments or it may design new financial products. Ultimately, all green banks will exhibit several common characteristics:

Stimulate demand by covering 100% of the upfront costs with a mixture of public and private financing.

Leverage public funds by attracting much greater private investment for clean energy and markets.

Recycle public capital so as to expand green investment and leave taxpayers unharmed.

Scale-up clean energy solutions as fast as possible, maximizing clean electricity and efficiency gains[2].

First Green Banking was founded in 2009 in the state of Florida. Based in Eustis and Clermont, Florida, USA, First Green Banking is a customer-driven community bank providing personalized service, localized decision-making and proven technology by promoting a positive environment that is acceptable to the community.

State Bank of India, India's largest commercial bank, took the lead in setting high sustainability standards and completed the first step in its 'Green Banking' initiative with Shri O.P.Bhatt, Chairman, SBI inaugurating the bank's first Wind farm project in Coimbatore. Recent Green Banking initiatives include a push for solar powered ATM'S , paper less banking for customers, clean energy projects and the building of Wind mills in rural India. SBI is a leader in Green Banking[3].

Green Banking opportunities:

A Green Bank requires each of its functional units and activities to be Green- environmentally friendly and help to improve environmental sustainability. Several opportunities are available for banks to go green their functional units and activities. Key among them are:

Supply Chain Management(SCM)

SCM is the management of the flow of goods and services. It includes the movement and storage of raw materials, work-in-process inventory, and finished goods from point –of- origin to point- of-consumption. Interconnected or interlinked networks, channels and node businesses are involved in the provision of products and services required by end customers in a supply chain.

Adopt techniques and plans to minimize inventory and wasted freight.

Adopt networked design using a carbon foot print.

Enterprise Resource Management(ERP)

ERP is a category of business-management software, typically a suite of integrated applications that an organization can use to collect, store, manage and interpret data from many business activities, including product planning, purchase, manufacturing or service delivery ,marketing and sales, inventory management, shipping and payment.

It facilitates paper less transactions.

Adopt techniques for workforce and parts optimization as well as intelligent device management.

Customer Relationship Management(CRM)

Customer relationship management is an approach to managing a company's interaction with current and future customers. It tries to analyze data about customers history with a company, to improve business relationships with customers, specifically focusing on customer retention, and ultimately to drive sales growth.

One important aspect of the CRM approach is the systems of CRM that compile information from a range of different communication channels including a company's website, telephone, email, live chat, marketing materials, social media, and more. Through the CRM approach and the systems used to facilitate CRM, businesses learn more about their target audiences and how to best cater to their needs.

Sourcing & Procurement:

In business, the term sourcing refers to a number of procurement practices, aimed at finding, evaluating and engaging suppliers for acquiring goods and

services. Outsourcing is the process of contracting a business function to someone else., select vendors for sustainability rating for their products, services and operations[1].

Conclusion:

Green banking refers to the efficient and effective use of computers, printers and servers to optimize the use of energy and waste-less paper. One of the important ways in which banks can implement green banking is by promoting the use of online banking among customers. Online banking helps reduce paperwork and the need to travel to bank branches. This positively impacts the environment. This facility is beneficial for banks, as it reduces operational costs and increases efficiency.

References:

- 1.Ashis Kumar Chaurasia., “Green Banking practices in Indian Banks,” Journal of Blue Square Publishing House, vol.no.1, Issue 1,February 2014,pp. 43-53.
- 2.Green Banking: An IDRBT publication August 2013.
- 3.Saleena T.A., “Go Green: Banking sector perspective,” Abhinav National monthly preferred Journal of Research in Commerce & Management, vol.no.3, Issue 11, November 2014, pp. 28-31.
- 4.“The role of Green Banking in sustainable growth,” International Journal of Marketing, Financial services and Management Research, vol.no.2, February 2012, pp.28,34.