



Islamic University of Technology
in partial fulfillment of the requirements for the degree of
BBA in Business and Technology Management (BTM)



Internship Report
Truvalu.enterprises Limited
Gulshan, Dhaka, Bangladesh

From Analysis to Action: A Practical Exploration of Green Financing at Truvalu Bangladesh

Submitted By:

I understand that my final report will become part of the permanent collection of the Islamic University of Technology BBA in Business and Technology Management Program. My signature below authorizes release of my final report to any reader upon request.

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Letter of Transmittal

May 03, 2024

Dr. Mohammad Shamsu Uddin
Assistant Professor
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Board Bazar, Gazipur.

Dear Sir,

Thank you for guiding me through this Internship Course. As per your instructions, I have prepared this report on the “**From Analysis to Action: A Practical Exploration of Green Financing at Truvalu Bangladesh**” which happens to align with the primary project that I was entrusted with during my internship tenure at Truvalu.enterprises Limited Bangladesh Limited.

During my tenure as an intern at Truvalu.enterprises Limited, I had the privilege of contributing to the successful implementation of the Access to Green Financing (A2GF) program. My responsibilities primarily revolved around devising strategies for engaging SMEs and financial institutions (FIs/NBFIs) while collaborating closely with the Investment Team. This hands-on experience allowed me to bridge the gap between theoretical knowledge acquired during my studies at the Islamic University of Technology (IUT) and practical insights into the private equity industry.

The A2GF program, aimed at promoting sustainable financing solutions, provided a unique opportunity to witness firsthand how financial mechanisms intersect with environmental and social considerations. By connecting classroom theories to real-world applications, I gained valuable insights into the investment pipeline and the pivotal role it plays in shaping future leaders within the industry.

In this report, I have meticulously documented my learnings, observations, and the execution strategies relevant to the A2GF project. It is my sincere hope that this report proves informative and contributes to the ongoing discourse on sustainable finance in emerging markets.

Once again, thank you for your unwavering support and understanding of the challenges inherent in the internship experience. I remain committed to furthering my knowledge and contributing meaningfully to the field.

Sincerely,
Mostofa Yousuf
ID: 190061128

Declaration of the Student

I, Mostofa Yousuf, a student of BBA in Technology Management at Islamic University of Technology, hereby declare that the Internship Report on "From Analysis to Action: A Practical Exploration of Green Financing at Truvalu Bangladesh" is an original work under the supervision of Dr. Mohammad Shamsu Uddin, Assistant Professor, Department of Business And Technology Management, Islamic University of Technology, while completing my BBA degree. The document is not composed of any prior published content, except where it has been properly cited with full and correct reference.

Sincerely yours,

Mostofa Yousuf
ID: 190061128
Department of Business and Technology Management
Islamic University of Technology (IUT)

Acknowledgement

As investment professionals and managers, our competencies are shaped by the practical execution of theoretical knowledge in real-world scenarios. The ability to swiftly adapt to dynamic environments is crucial for success. During my internship, I had the opportunity to witness firsthand the implementation of strategic initiatives and promotional activities. This experience deepened my understanding of the significance of meticulous planning, effective communication, and adept management.

Within this context, I collaborated closely with my team and engaged with leaders at Truvalu.enterprises Limited. Their mentorship played a pivotal role in honing my skill set and empowering me to actively contribute to the assigned projects. I express sincere gratitude to my supervisor, M. G. Shaon (Senior Investment Associate), and Mohammad Hossain Aala (Junior Investment Associate), for their unwavering support throughout the internship.

Furthermore, I extend heartfelt appreciation to Dr. Mohammad Shamsu Uddin, Assistant Professor in the Department of Business and Technology Management at the Islamic University of Technology (IUT). Dr. Uddin's benevolent guidance and unwavering support were invaluable during the preparation of this report and throughout my internship journey.

Executive Summary

Truvalu Bangladesh, a pioneering force in private equity, has been instrumental in accelerating the growth of SMEs in Bangladesh. With a focus on sustainable economic growth and environmental stewardship, Truvalu has positioned itself as a catalyst for green financing in emerging markets. This report provides a comprehensive analysis of my internship project of planning in the initial phase of Truvalu's Access to Green Financing (A2GF) program, which aims to widen green financing and increase the capabilities of SMEs in Bangladesh.

The primary objective of this report is to dissect the intricate dynamics of green financing in emerging markets, with a specific lens on Truvalu's A2GF program. The study endeavors to elucidate the multifaceted approach adopted by Truvalu in navigating the investment landscape, promoting sustainable business practices, and contributing to the global discourse on climate resilience.

The report highlights Truvalu's strategic initiatives aimed at empowering SMEs by facilitating access to essential green financing, thereby fostering a resilient and inclusive economy. The company's commitment to co-entrepreneurship, business development support, and access to market has been pivotal in developing pre-growth SMEs into mature businesses that yield economic returns and create social impact.

The analysis also explores the synergistic relationship between green financing and sustainable development in the context of emerging markets. The report assesses the impact of Truvalu's initiatives on the broader economic and environmental fabric of the country, scrutinizing the financial and market analyses conducted as part of the A2GF program.

The findings of this study demonstrate Truvalu's dedication to impact investment, SME expertise, and private equity investments, positioning the company as a knowledgeable partner for growth and development in the SME sector. The report concludes by recommending strategies for Truvalu to further enhance its impact investment strategy, expand its reach, and contribute to sustainable growth for SMEs.

Overall, this report provides a detailed analysis of Truvalu's A2GF program, highlighting the company's commitment to green financing and sustainable development in emerging markets. The study offers valuable insights into the dynamics of green financing in emerging markets, underscoring the importance of initiatives like Truvalu's A2GF program in promoting sustainable economic growth and environmental stewards

Chapter 1: Introduction

1.1 Origin of the Report

This report, entitled “From Analysis to Action: A Practical Exploration of Green Financing at Truvalu Bangladesh,” originates from the academic requirements of the Bachelor of Business Administration (BBA) program at Islamic University of Technology. It is a culmination of my hands-on experience as an intern in the investment department at Truvalu Bangladesh, where I was actively involved in facilitating the Access to Green Financing (A2GF) program.

The report is a comprehensive account of my journey through the intricate world of green financing, industry analysis, and stakeholder management. It is intended to provide a detailed narrative of my practical learning, the challenges encountered, and the insights gained while supporting the core investment team at Truvalu Bangladesh.

As part of the academic curriculum, the internship is designed to bridge the gap between theoretical knowledge and real-world application. This document serves as a reflection of that bridge, showcasing the application of academic concepts in a professional setting. The report also aims to contribute to the existing body of knowledge on green financing activities in Bangladesh and the role of emerging markets in sustainable development.

1.2 Objectives of the report

The primary objective of this report is to dissect and comprehend the intricate dynamics of green financing in emerging markets, with a specific lens on Truvalu Bangladesh’s A2GF program. This study endeavors to elucidate the multifaceted approach adopted by Truvalu Bangladesh in navigating the investment landscape, promoting sustainable business practices, and contributing to the global discourse on climate resilience.

1.2.1 Broad Objectives

- To analyze the operational framework and strategic execution of the A2GF program within Truvalu Bangladesh.
- To assess the impact of Truvalu Bangladesh’s initiatives on the broader economic and environmental fabric of the country.
- To explore the synergistic relationship between green financing and sustainable development in the context of emerging markets.

1.2.2 Specific Objectives

- To scrutinize the financial and market analyses conducted as part of the A2GF program, emphasizing their role in investment decision-making.
- To evaluate the effectiveness of stakeholder engagement and management in advancing the program's objectives.
- To measure the success of the A2GF program using relevant metrics and key performance indicators (KPIs).

1.3 Topic of Report

The topic was chosen to reflect the critical role of sustainable investment practices in today's business landscape. Truvalu Bangladesh, a pioneer in the field of impact investing, provided a unique platform to delve into the burgeoning sector of green financing. The company's commitment to the Access to Green Financing (A2GF) program presented an unparalleled opportunity to study the intersection of finance and sustainability firsthand.

This report aims to shed light on the practical aspects of green financing activities within the context of an emerging economy like Bangladesh. The focus on Truvalu Bangladesh is due to its innovative approach to investment and its dedication to fostering economic growth while adhering to environmental and social governance principles. The topic underscores the importance of translating analytical research into actionable strategies that drive positive change, aligning with global efforts towards sustainable development.

1.4 Methodology

1.4.1 Research Design

This study employs a mixed-methods approach, combining both primary and secondary data sources. The primary data collection involves interviews with SMEs, FIs/NBFIs, and baseline surveys. Secondary data includes reports by donors and partners, program documents, and existing literature on green finance in Bangladesh.

1.4.2 Primary Data Collection

- Interviews with SMEs and FIs/NBFIs: SMEs and FI/NBFIs throughout Bangladesh will be selected through a stratified random sampling method, ensuring representation from various sectors and regions in Bangladesh. Semi-structured interviews will be conducted with key decision-makers at each organization, focusing on their experiences with green

financing, perceived challenges, and suggestions for improvement. Interviews will be audio recorded, transcribed, and analyzed using thematic analysis to identify patterns and themes.

- **Baseline Surveys:** A baseline survey will be conducted among SMEs, assessing their current practices, challenges, and needs related to green finance. The survey will be designed to capture information on SMEs' environmental impact, financial performance, and current access to green finance. Data will be analyzed using descriptive statistics and regression analysis to identify correlations between variables.

1.4.3 Secondary Data Collection

- **Reports by Donors and Partners:** Reports by international organizations, such as the Asian Development Bank (ADB) and the United Nations Development Programme (UNDP), will be reviewed to gain insights into the current state of green finance in Bangladesh. These reports will provide valuable information on the policies, initiatives, and challenges in the green finance sector.
- **Program Documents:** Program documents, such as the Truvalu Bangladesh report, will be analyzed to understand the strategies and approaches employed by organizations in promoting green finance for SMEs.

1.4.4 Data Processing and Analysis

- **Data Cleaning and Preprocessing:** All data collected will undergo thorough cleaning and preprocessing to ensure accuracy, completeness, and consistency. Missing values will be handled using imputation techniques, and outliers will be identified and addressed accordingly.
- **Data Analysis:** Primary data will be analyzed using thematic analysis for the interviews and descriptive statistics and regression analysis for the baseline survey. Secondary data will be analyzed using content analysis for the reports and program documents. The findings from both primary and secondary data will be integrated to provide a comprehensive understanding of the green financing landscape for SMEs in Bangladesh.

1.5 Scope

This report delves into the strategic imperatives of Truvalu Bangladesh, examining the company's endeavors to integrate green financing into its investment portfolio. The analysis encompasses the A2GF program's alignment with Bangladesh's economic landscape, the challenges posed by climate change, and the opportunities for SMEs to pivot towards sustainability.

1.6 Limitations

The insights presented in this report are confined to the proprietary data and experiences of Truvalu Bangladesh. While comparative analyses with other organizations are beyond the scope due to confidentiality constraints, the report offers a comprehensive examination of Truvalu Bangladesh's internal strategies and their efficacy in achieving the desired outcomes.

Chapter 2: Company Analysis

2.1 Company Overview

Truvalu Bangladesh, a subsidiary of the Truvalu Group, is a leading player in Bangladesh's private equity sector, dedicated to accelerating the growth of small and medium-sized enterprises (SMEs). With a portfolio of 17 SME investments and extensive support through incubation programs, Truvalu Bangladesh is a key driver of fair economic development and impact investment in the region. Since its inception, the company has provided not only financial support but also strategic business development services, impact management training, and financial management coaching to SMEs. Truvalu Bangladesh's focus on the Access to Green Financing (A2GF) program positions it as a catalyst for sustainable economic growth and environmental stewardship. The company's initiatives aim to empower SMEs by providing access to essential green financing, thereby fostering a resilient and inclusive economy.

2.2 Vision and Mission

2.2.1 Vision

Our vision is to be a catalyst for change in emerging markets by providing strategic investment and hands-on support to pre-growth SMEs, driving them towards business maturity. We envision a future where these enterprises thrive, leading to robust economic returns and significant social impact, with a special focus on gender lens investing and environmental sustainability.

2.2.2 Mission

Truvalu Bangladesh is committed to fostering the growth of good local businesses as key actors in their value chains, thereby contributing to a world where economic development is inclusive and sustainable. By investing in SMEs, particularly in the agrifood sector, we aim to elevate people out of poverty, create career opportunities, and protect the environment, ensuring that true value transcends monetary gain.

2.3 History

Truvalu operates within the private equity industry, focusing on impact investment and the growth of small and medium-sized enterprises (SMEs) in Bangladesh. The private equity sector has seen a significant increase in the number of funds, with 18,995 reported in 2021, indicating a vibrant and growing field. Truvalu has had a significant impact, as their 2021 results show: reaching 7,761 smallholder farmers, creating and sustaining 2,258 jobs, and generating 8.4 million euros in value for farmers.

Truvalu's role in this industry is underscored by its targeted investments in 17 SMEs within Bangladesh, providing not only capital but also business development services and strategic collaborations with financial institutions to bolster the SME landscape. Additionally, Truvalu's impact extends beyond financial returns, achieving a 1:5 impact ratio, meaning that every euro invested yields five euros of local value annually.

Truvalu's future action plan is geared towards enhancing its impact investment strategy, with a focus on sustainable growth for SMEs. The company aims to expand its reach by investing in more SMEs, particularly in sectors that contribute to economic development and environmental sustainability. Truvalu's commitment to co-entrepreneurship will continue to drive its approach, offering not just financial support but also valuable connections, business advice, and access to technology.

2.4 Company Profile

Registered Name	Truvalu.enterprises Limited
Parent Organization	Truvalu Group
Registered Address	House 16 (1st Floor), Road 30, Gulshan 1, Dhaka 1212, Bangladesh
Services	Consulting and Investment Management, Co-Entrepreneurship Approach, Support to SMEs, Business Analysis and Financial Modelling, Gender Lens Investing
Programs	B-Skillful, B-Bridddhi etc.
Significant Partnerships	Classical Handmade Products, Natural Fibers Coir Limited
Area of Operation	Dhaka, Savar, Gazipur, Bogura, Rangpur
Impact	Economic returns and social impact

2.5 Ethics and values

- **Commitment to Fairness:** Truvalu Bangladesh operates on the principle of fairness, ensuring that all stakeholders in the value chain are treated equitably. This commitment extends to fair distribution of profit, value, and power, fostering an environment where every participant has the opportunity to excel and contribute meaningfully to the collective success.
- **Empowerment through Inclusion:** Inclusion is at the heart of Truvalu Bangladesh's ethos. The company strives to create opportunities that empower underrepresented groups, particularly women, by promoting gender equity in the workplace and across their value chains. Truvalu's dedication to gender lens investing is a testament to their belief in the transformative power of inclusive entrepreneurship.
- **Sustainability and Environmental Stewardship:** Sustainability is a core value that guides Truvalu Bangladesh's operations and investments. The company is committed to environmental stewardship, supporting businesses and practices that contribute to ecological balance and the long-term well-being of communities.
- **Integrity and Transparency:** Truvalu Bangladesh upholds the highest standards of integrity and transparency in all its dealings. The company believes in honest communication, ethical business practices, and clear accountability, which are fundamental to building trust with partners, clients, and the communities they serve.
- **Innovation for Impact:** Innovation is key to Truvalu Bangladesh's approach to problem-solving and value creation. The company encourages innovative thinking that leads to impactful solutions, driving economic development that is not only profitable but also socially responsible and sustainable.
- **Collaboration for Growth:** Truvalu Bangladesh values collaboration and co-entrepreneurship, working closely with local businesses to accelerate their growth. By sharing knowledge, resources, and networks, Truvalu fosters a collaborative ecosystem that benefits all parties involved.

2.6 Services

Truvalu Bangladesh offers a comprehensive suite of services designed to foster fair and inclusive value chains. These include:

- **Growth Funding:** Investments ranging from €250,000 to €500,000 for equity stakes of up to 49%, with opportunities for co-investment to increase funding capacity.
- **Co-entrepreneurship:** Participation as co-entrepreneurs in promising, inclusive agri-businesses, providing growth capital, business development support, access to technology and networks, and market expansion².

- **Business Development Support:** Customized support targeting both primary activities like operational processes, marketing, and sales, as well as secondary activities such as financial administration, corporate governance, and legal support.
- **Access to Market:** Active support in promoting products and services in local and export markets, connecting companies to a vast network of clients, business partners, and export partners.
- **Consultancy Service:** Offering an online incubation program that mentors high-growth businesses across various sectors, preparing them for the challenges of the market and scaling opportunities.

These services are tailored to enhance the operational efficiency, financial management, and market positioning of SMEs, contributing to the sustainable economic development of Bangladesh. Truvalu's commitment to gender lens investing and its collaboration with international partners underscore its role as a catalyst for positive change in the region.

Chapter 3: Industry Analysis

3.1 Industry Growth and Market Size

The private equity (PE) industry is a vital component of the global financial market, characterized by strategic investments across various sectors. The industry has witnessed significant growth, with the global PE market valued at USD 645.2 billion in 2022 and projected to expand at a compound annual growth rate (CAGR) of 13.45% through 2028. This growth is driven by PE firms' ability to bring innovation and operational improvements to their portfolio companies. The increasing number of high-net-worth individuals and institutional investors in emerging markets like Bangladesh has substantial potential for the PE industry. Bangladesh's economic progress, with a GDP growth rate of 7.28% in FY 2016-17 compared to 7.11% in FY 2015-16, mirrors the private consumption growth, which was 10.3% in FY 2016-17 compared to 9.1% in FY 2015-16. This economic strength supports PE investment activities, indicating a vibrant and growing field.

3.2 Yearly growth trend of the industry

The PE industry has seen a yearly growth trend that reflects its resilience and adaptability. Private markets assets under management totaled \$13.1 trillion as of mid-2023, growing nearly 20% per annum since 2018. Despite macroeconomic challenges, such as rising financing costs and an uncertain growth outlook, PE firms have continued to attract significant capital. The industry's ability to maintain growth momentum is evident in the increased consumption as a percentage of total income, both in urban and rural areas, indicating a broader economic strength that supports PE investment activities.

3.3 Maturity of PE Industry in Bangladesh

The private equity (PE) industry in Bangladesh is at a pivotal stage of development. As an emerging market, the country has seen substantial economic growth, which has laid the groundwork for the PE sector to flourish. The industry is gaining momentum, bolstered by increasing foreign direct investment (FDI) and the overall economic progress of the nation.

The PE landscape in Bangladesh is shaped by its legal framework, which includes commercial laws and industry-specific regulations such as the Companies Act 1994 and the Competition Act 2012. These laws are instrumental in governing mergers and acquisitions (M&A) and ensuring fair competition. Despite the global challenges brought about by the COVID-19 pandemic, the PE industry has shown resilience. The ability to exercise control, implement effective governance, and make long-term strategic decisions has been essential in driving the value of PE investments.

Looking ahead, the economic conditions present a unique opportunity for investors to carefully evaluate PE managers, with a focus on aligning interests and fostering a long-term vision for success. Additionally, keeping a close eye on inflation trends and interest rates will be crucial for devising effective investment strategies. As different investment classes undergo valuation shifts, investors are encouraged to reassess their portfolio allocations to optimize returns.

The private equity industry in Bangladesh, while still maturing, is poised for growth. With the economy on an upward trajectory, PE investments are expected to play a significant role in shaping the business landscape of the country.

3.4 External Economic Factors and their Effect on the Industry

The private equity (PE) industry in Bangladesh is currently navigating a complex landscape shaped by external economic factors. The recent integration into the global market has heightened the stakes for local PE firms, which face an emerging threat from international competitors. This competition is intensified by the burgeoning youth demographic, which demands swift and strategic action from these firms.

Bangladesh's PE industry is characterized by its adaptability and rapid growth, mirroring the nation's dynamic market. This expansion is attributed to a mix of indigenous and exogenous factors, including rapid urbanization, industrial growth, and the government's emphasis on infrastructure, health, hygiene, and empowerment-related societal development. These elements have collectively served as a launchpad for the industry, propelling it to a significant turnover.

Innovation within the PE sector has been pivotal in transforming the economic landscape and enhancing the quality of life in Bangladesh. Historically, a large portion of the population resided in rural areas, representing an untapped market. To address this, PE firms have been innovative in their approach, creating investment opportunities that are affordable and accessible to this demographic. This strategy has led to the establishment of substantial industrial facilities and the introduction of new investment categories, such as technology startups, healthcare, and education.

The impact of small-scale investments has been profound, facilitating progress and empowering local entrepreneurs and businesses. Initiatives like green financing have enabled the development of sustainable practices, supporting sectors like agriculture and renewable energy. This has not only contributed to the economic progress of the country, including RMG export growth and increased women's economic participation, but also improved the GNI index.

Today, the PE industry has significantly contributed to lifestyle improvements across various segments of the population, offering access to capital for home care, personal care, skincare, nutrition, and convenience products. The industry's influence has been transformative, altering the mindset of the populace and emphasizing the importance of financial well-being as a component of a fulfilling life.

Truvalu's A2GF Programme stands as a testament to this evolution, showcasing how green financing can catalyze change in emerging markets. The program's focus on capacity development, technical assistance, and financial inclusion aligns with the broader objectives of the PE industry in Bangladesh, driving sustainable growth and social impact.

3.5 Competitive Environment and Changes in the Competitive Environment

In the private equity (PE) industry, the ability to anticipate and adapt to changes in the competitive environment is crucial for success. The industry is characterized by rapid and diverse changes, making the task of staying ahead increasingly complex and multidimensional. The future of the PE industry is poised to be markedly different from its current state, moving away from traditional, asset-heavy models to a more fluid and interconnected ecosystem.

The transformation of the PE industry is driven by easier access to information and a shift towards a knowledge-based economy. This evolution involves moving from a linear value chain to a dynamic, connected ecosystem that integrates consumers, customers, and operations with data, technology, and analytics at its core. The industry is expected to undergo significant disintermediation, removing frictions in the value chain and enabling a more direct and efficient flow of capital.

Supporting this transformation are distinct ecosystems that create value for businesses. These include ecosystems for content, innovation, communication, customer relations, and operations. The competitive edge in the PE industry will increasingly come from the ability to harness data, which will reveal the nuanced stories behind the larger trends.

Data will empower marketeers to customize their approaches and serve a diverse range of investor cohorts. The way PE firms communicate will also evolve, focusing on micro-moments and personalized experiences rather than broad narratives. This data-driven, bespoke approach will be essential for PE firms to differentiate themselves and succeed in a competitive and changing environment.

3.6 Technological Factors

In the realm of private equity (PE), technological advancements are playing a pivotal role in shaping the industry's future. Despite apprehensions that the growth of the PE sector may plateau, the reality is quite the contrary. When we compare Bangladesh to its regional counterparts, it becomes evident that there is a substantial gap in the adoption and integration of technology within the PE space.

The current per capita engagement with PE and related technological tools in Bangladesh is significantly lower than that in countries with similar income levels, such as Indonesia and the Philippines. This indicates an untapped market ripe for technological infusion. With the majority

of value-added services in PE, such as financial analytics and digital due diligence, still in their nascent stages, there is a considerable scope for enhancement as more individuals ascend to the middle-income bracket.

Organizations are recognizing the need for capacity expansion, not just in terms of financial capital but also in technological capabilities. This is particularly relevant considering the impact of mega projects like the Padma Bridge, which symbolizes the bridging of technological gaps across geographical regions with limited PE exposure.

Truvalu's A2GF Programme is a testament to this potential, aiming to facilitate capacity development and technical assistance in green financing. The program underscores the importance of integrating sustainable practices with technological innovation, thereby expanding the reach and efficiency of PE investments in emerging markets. As the industry progresses, the adoption of technology in PE is expected to accelerate, driving the sector towards a more data-driven and efficient future.

3.7 Regulatory, Political, and Legal concerns

The private equity (PE) industry is navigating through a period of significant regulatory, political, and legal evolution. The landscape is becoming increasingly complex, with new regulations and legal frameworks emerging as critical factors that influence the industry's trajectory. These concerns are not just peripheral issues; they are central to the strategies and operations of PE firms.

Regulatory frameworks are evolving to keep pace with the rapid growth of the PE industry. Taxation policies, particularly those related to investment and capital gains, are under scrutiny. There is a pressing need for a more nuanced tax structure that recognizes the unique nature of PE investments and encourages growth within the sector. Additionally, the legal structures governing corporate transactions, including mergers and acquisitions, require modernization to reflect the current economic realities and to protect investments.

Political stability is paramount for the PE industry to thrive. Investors seek environments where legal protections are robust and reliable. Intellectual property rights, brand protection, and trademark laws need to be enforced rigorously to maintain investor confidence and to safeguard the assets that are integral to the value proposition of PE firms.

As the industry embraces digital transformation, there is a growing need for regulations that address data protection and cybersecurity. The right policy frameworks can facilitate growth and innovation, enabling PE firms to leverage technology to gain competitive advantages.

Regulations that promote sustainability and social responsibility can help PE firms align with global trends and investor expectations. Incentives for green investments, such as tax benefits, can encourage PE firms to contribute positively to environmental goals.

The PE industry plays a significant role in the national economy through direct and indirect taxes. A supportive government policy that recognizes the industry's contributions and addresses its concerns can accelerate growth and increase the sector's economic impact.

4. My Internship Project: Planning the Green Financing Solution - A2GF

4.1 Understanding Green Financing

Green financing is crucial for addressing environmental challenges and promoting sustainable development. It supports projects with positive environmental impacts, merging economic growth with ecological preservation. In Bangladesh, green finance is gaining traction, facilitating the country's transition to a greener economy through projects like renewable energy, pollution control, and biodiversity conservation. These projects contribute to environmental sustainability while offering economic and social benefits. Green finance is essential for Bangladesh to meet its commitments under the Paris Agreement and Sustainable Development Goals, reducing greenhouse gas emissions and enhancing community resilience to climate change.

4.1.1 Importance for Addressing Climate Change Effects in Bangladesh

Bangladesh, a country highly vulnerable to climate change, is transitioning to a greener and more inclusive financial system. The central bank, Bangladesh Bank (BB), plays a leading role in this transition. BB has been working on its green finance policy since 2009 and introduced its first green banking guideline in 2011. The bank requires banks and financial institutions to allocate a minimum of 2% of their financing towards green finance and 15% towards sustainable finance. This policy has led to significant growth in green finance, with Bangladeshi banks and financial institutions investing over USD 1.1 billion annually in green finance products. The country aims to develop a climate resilience policy based on research on how climate change affects communities on the ground. The BB's policy has been adopted by several regional central banks and has helped in the commercialization of green projects. Green finance initiatives in Bangladesh have the potential to make a significant difference in addressing climate change and sustainable growth. The country's focus on sustainable financing has been further crystallized by the establishment of the Sustainable Finance Department at the BB and the Climate Change Trust Fund. The government and private sector are also actively involved in developing low-emission and climate-friendly infrastructure. Despite the progress, Bangladesh still faces significant challenges in addressing climate change, including a severe energy crisis and reliance on traditional energy sources. Therefore, investment in the climate and clean energy sector is crucial to meet the country's Nationally Determined Contributions and ensure sustainable growth.

4.1.2 The Importance of SMEs in Bangladesh

Small and Medium Enterprises (SMEs) are vital to Bangladesh's economy, employing approximately 7.8 million people (40% of the total employment) and contributing 24.45% to the GDP in FY22. SMEs are widespread across the country, generating income, particularly for low-income populations. They also play a crucial role in fostering innovation, leveraging their agility

and adaptability to respond to climate change and market challenges. This innovative capacity is driven by their need to differentiate themselves in competitive landscapes, leading to continuous innovation and cost-effectiveness enhancements.

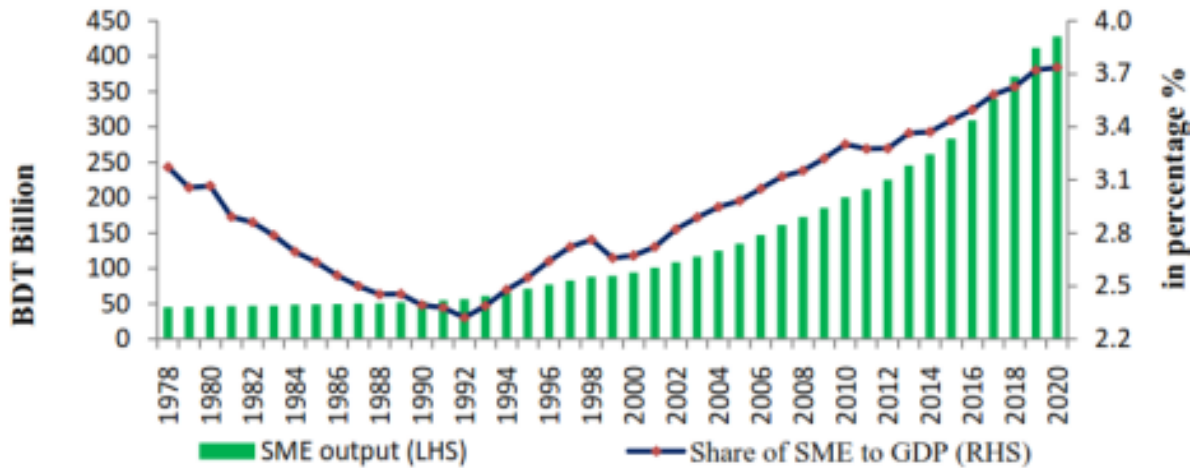


Figure 1: Share of SME to GDP in Bangladesh from 1978 to 2020

The empirical analysis shows a consistent upward trajectory in SME output in Bangladesh over the past four decades, with an accelerated pace of increase after 1992. In emerging economies, formal SMEs contribute up to 40% of the national income (GDP), but in Bangladesh, the contribution is currently around 25%, indicating room for further growth. Therefore, there is a pressing need for concerted efforts to strengthen SMEs and enhance their contributions to the nation's economic landscape. While SMEs are thriving in various industries, the full potential of SMEs in Bangladesh is yet to be realized.

4.1.3 The Importance of SMEs in Climate Change Measures

The private sector's engagement in climate change adaptation and mitigation in Bangladesh is still in its early stages, but it has the potential to catalyze significant investments in reducing vulnerability. Small and Medium Enterprises (SMEs) are crucial for social development and stability, and they contribute to the development of a dynamic private sector. SMEs need access to capital and technical assistance to grow and become resilient to economic and climatic shocks. The transition to sustainable practices presents an opportunity for SMEs to strengthen their competitiveness, resilience, and access to financial resources. While large corporations are adopting measures to address climate change, SMEs are mostly bearing the brunt of energy shortage and climate change. Investing in green and gender equality is becoming increasingly important globally. Financial institutions and impact investors can lead the way to a green recovery through investments in women-led businesses and gender-smart climate finance initiatives.

4.1.4 International Policies Related to “Greening Finance”

The OECD estimates that a global investment of €6.35 trillion per year is needed to achieve the Paris Agreement goals by 2030. Policymakers agree that the financial system can contribute to these needs through climate finance, green finance, and sustainable finance. Green finance covers environmental goals like biodiversity protection and restoration, while sustainable finance includes environmental, social, and governance factors (ESG). The Financial Stability Board (FSB) established the Task Force on Climate-Related Financial Disclosures (TCFD) in 2015 to improve climate-related disclosures. The G20 launched a Green Finance Study Group (GFSG) in 2016, focusing on greening the banking system, bond markets, and institutional investment. The Network of Central Banks and Supervisors for Greening the Financial System (NGFS) was established in 2017 to manage environmental risks.

The Basel Committee on Banking Supervision (BCBS) established the Task Force on Climate-related Financial Risks (TCFR) in 2020 to research climate risk transmission channels and develop methodologies for measuring and assessing these risks. Analyzing middle-income countries like China, Malaysia, and South Africa provides insights into Bangladesh’s sustainable financial framework and green technology transition readiness. Despite sharing advanced sustainable finance status with South Africa and Malaysia, Bangladesh lags in green technology readiness.

China’s Green Credit Guidelines offer a robust model with mandatory requirements, strict targets, government involvement, and penalties. Malaysia’s Green Technology Master Plan emphasizes cross-sectoral collaboration and innovative incentives. South Africa’s Green Fund supports SMEs in diverse green projects, creating green jobs and reducing emissions. Bangladesh can learn from these models to enhance its green financing policies for SMEs, ensuring sustained economic progress and resilience against climate change.

4.1.5 Policy of the Bangladesh Bank related to Climate Change and Green Finance

Bangladesh has integrated climate change into its national legal and policy framework, focusing on environmental conservation, biodiversity, and people’s protection. The country aims to balance economic growth with environmental sustainability by merging environmental issues with mainstream development policies. As the most vulnerable country to climate change impacts, Bangladesh has enacted over 200 laws and regulations for climate change mitigation. The government has implemented various policies and development plans to combat environmental hazards and promote a pollution-free, eco-friendly environment.

Key policies include the Bangladesh Climate Change Strategy and Action Plan (2009), National Environmental Policy (2018), Bangladesh Biodiversity Act (2018), and Environmental Crisis Management Rules (2017). These policies aim to tackle environmental and biodiversity conservation and management challenges. The government has also formulated a detailed work plan to meet Sustainable Development Goals (SDGs) environmental targets.

Several programs and projects are underway to handle natural disasters, and a 20-year masterplan is being prepared to maintain environmental sustainability and achieve self-sufficiency in forest resources. Additionally, the government has initiated policies such as the Climate Change Trust Fund Act (2010), Country Investment Plan for Environment, Forestry and Climate Change (CIP-EFCC), Prospective Plan (2021-41), and the 8th Five Year Plan (2021-25).

The Bangladesh Bank has developed green banking guidelines for banks and financial institutions but faces a capacity gap in implementing these guidelines effectively. The bank has also introduced policies to boost lending for SMEs, recognizing their importance, but lacks a specific green financing facility or policy for SMEs.

4.2 Objective of A2GF

4.2.1 General Objectives

The primary goal of the program is to promote green financing and enhance the capabilities of SMEs in Bangladesh. By developing and delivering low-carbon and climate-resilient solutions, improving environmental performance, and mobilizing necessary funds, the program aims to increase the resilience of communities, enterprises, and the overall SME support ecosystem. Additionally, it seeks to contribute to Sustainable Development Goals (SDGs) 5, 7, 8, 9, 12, 13, and 17.

4.2.2 Specific Objectives




- **Empower Selected SMEs:** Strengthen the capacity of selected SMEs, including women-focused enterprises, to effectively address the consequences of climate change mitigation. This includes reducing environmental degradation and enhancing business skills, enabling them to grow and compete in the market.
- **Enhance Access to Green Finance:** Build the capacity of financial institutions (FIs) and impact investors (IIs) to facilitate increased access to green finance for high-impact SMEs. This will enhance the resilience of businesses and marginalized communities.
- **Create an Enabling Environment:** Strengthen the capacity of regulators and policymakers to establish an enabling environment for green financing specifically tailored to SMEs.


4.3 Stakeholder Analysis

The program identifies four primary stakeholder groups: SMEs, Financial Institutions and Impact Investors, Policymakers and Regulators, and Donors and Development Partners. SMEs, despite

their high interest, face challenges like lack of awareness and complex documentation for green finance, and have low influence. Financial Institutions and Impact Investors are familiar with green financing but need capacity development to tailor products for SMEs. Policymakers and Regulators are key in adapting policies to support SMEs in accessing green finance. The Government of Bangladesh has initiated strategies for environmental sustainability, but more focus on SMEs is needed to encourage green business growth. Secondary stakeholders like DFIs, NGOs, and others also contribute to the program’s success. Collectively, these stakeholders can drive the growth of green SMEs in Bangladesh, contributing to a more sustainable and resilient economy.

Table 1: Partner Companies of A2GF

Partner’s name	Description
 <p>Truvalu</p>	<p>Truvalu Group, headquartered in the Netherlands, is a global organization with additional offices in Bangladesh, Kenya, Uganda, and Colombia. They specialize in nurturing pre-growth businesses in emerging economies. Their primary focus is on providing growth capital to SMEs that are committed to making a positive social and environmental impact. Through a unique co-entrepreneurship approach, they assist entrepreneurs in developing their businesses.</p> <p>Website: https://truvalu-group.com/</p>
 <p>One to Watch</p>	<p>Based in the Netherlands and operating an office in Nepal, this organization provides growth-stage and mezzanine financing services. They offer investment support and expertise to companies in the agriculture, food, renewable energy, and healthcare sectors. Their active involvement in problem-solving contributes to local job creation.</p> <p>Website: https://www.onetowatch.nl/</p>
 <p>UNCDF</p>	<p>The United Nations’ flagship catalytic financing entity serves the world’s 46 Least Developed Countries (LDCs). It provides investment capital and technical support to both public and private sectors. The entity’s mission is to invest and catalyze capital to assist these countries in achieving sustainable and inclusive growth.</p> <p>Website: https://www.uncdf.org/</p>

 <p>Embassy of Switzerland (Donor)</p>	<p>The Embassy of Switzerland serves as a crucial diplomatic entity representing Switzerland’s interests abroad. It provides a range of services, including consular assistance and promoting bilateral relations. The embassy works actively to foster ties in various sectors such as trade, culture, and education, contributing to mutual growth and understanding. It also plays a vital role in assisting Swiss citizens abroad and facilitating a better understanding of Switzerland in the host country.</p> <p>Website: https://www.eda.admin.ch/dhaka</p>
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The program targets companies that contribute positively to the environment, such as those in manufacturing that can significantly reduce their environmental footprint, or those investing in renewable energy, wastewater treatment, energy-efficient machinery, and pollution control. These sectors are prioritized for their potential to address high environmental risks and create a substantial positive impact. The program specifically supports SMEs that align with the “green” criteria of Bangladesh Bank’s Sustainable Finance Policy, focusing on climate change adaptation and mitigation. The design phase will refine the selection of SMEs, considering international agreements and sustainability goals, with a particular emphasis on gender inclusivity.

Direct beneficiaries will be 200 SMEs that demonstrate a commitment to environmental sustainability, while indirectly, the program aims to benefit 200,000 low-income individuals connected to these SMEs, including clients, employees, and suppliers. The program’s reach extends across Bangladesh, with an anticipated 800 applications, from which 200 will be chosen for financial literacy and business greening workshops. Following these workshops, 80 SMEs will be selected for customized Business Development Services (BDS) based on their performance and readiness for further support. Ultimately, 40 of these SMEs are expected to secure loans or investments, with interventions planned at both the micro and macro levels.

4.4 Programme Implementation Strategy

4.4.1 Interventions

The program focuses on enhancing climate resilience and gender-inclusive strategies for SMEs in Bangladesh. Outcome 1 aims to raise SMEs’ awareness of green practices, provide financial literacy training, and prepare them for investment. Outcome 2 targets financial institutions and impact investors, improving their capacity for green financing. Financial incentives will encourage investment in SMEs. Outcome 3 engages policymakers, regulators, and stakeholders to address policy gaps and promote green financing. The program’s holistic approach fosters a robust ecosystem for SMEs’ sustainable growth.

4.4.2 Expectations from the Programme -

The program's expectations are as follows:

- It seeks to empower SMEs by providing essential capital to foster eco-friendly business practices. Given that SMEs contribute significantly to Bangladesh's GDP and societal progress, this support is vital.
- The initiative will showcase a pioneering and cohesive strategy for involving the private sector in climate change adaptation and mitigation efforts, aiming to amplify private investments and bolster the nation's climate resilience.
- It will prove that investing in SMEs' capacity and green financing can be both lucrative and groundbreaking, setting a precedent for capital providers to eventually follow suit.
- The programme plans to leverage cutting-edge solutions to streamline SMEs' access to green finance, utilizing tools such as digital platforms, electronic payments, novel green technologies, and financial education services.
- In the end, the programme aspires to fortify the resilience of Bangladeshi communities that heavily rely on the services and employment opportunities provided by SMEs.

4.4.3 Programme Implementation Plan

The first phase of the programme will emphasize on capacity building of SMEs, awareness building of FIs and IIs, incentivizing FIs and IIs to mobilize financing and making recommendations to policymakers with regard to green financing.

1. **Starting Phase** - The initial six-month phase post-contract signing focuses on comprehending SME needs, refining program frameworks, and establishing communication and data strategies.
2. **Baseline Survey** - Truvalu's baseline study will systematically collect and analyze data to inform the program's direction, ensuring accuracy and stakeholder collaboration from the start.
3. **Primary Selection of SMEs** - The program aims to publish a call for applications, raise awareness, form partnerships, select high-impact SMEs, and prioritize gender diversity while adhering to green financing criteria.
4. **General BDS** - The program will train 200 selected SMEs in digital financial literacy and green finance, with a focus on women's businesses, through classroom sessions and personalized mentorship.
5. **Needs Assessment** - After conducting a need assessment using a developed tool, the Consortium will identify 80 SMEs with high return and impact potential over four years. A gender lens will be applied during selection, and customized Business Development Services (BDS) packages will be designed for these SMEs. Agreements will be signed for BDS delivery.

6. **Customized BDS Delivery** - The programme will provide tailored business development support to SMEs, covering a range of areas including green finance readiness and gender-sensitive practices, with the assistance of technical partners and climate experts.
7. **Training for FIs and IIs** - The program will prepare SMEs for investment and green financing while educating financial institutions through 12 targeted training events over four years on various sustainable finance practices.
8. **Establishment of a Fund** - The consortium plans to co-launch a Green Fund with an initial EUR 1.5 million investment, conducting extensive market research and leveraging networks to mobilize additional funding and partnerships for green initiatives in Bangladesh.
9. **Incentivization of FIs and IIs** - The program will incentivize financial institutions with interest subsidies and impact-linked finance to mobilize at least EUR 7 million, reducing SMEs' financing costs and supporting their green initiatives.
10. **Pitching Event** - The event will enable 80 SMEs to present their green business plans to potential investors, gaining insights into the due diligence process.
11. **Facilitate Access to Green Finance** - Post-demo day, the program will assist SMEs in securing loans or investments, with an expectation that at least half will successfully obtain financing.
12. **Knowledge Management** - The program will systematically capture and analyze data from its activities to enhance efficiency and inform international green finance strategies, with a focus on gender inclusivity.
13. **Endline Survey** - An independent survey at the end of phase 1 will evaluate the program's impact, guiding future improvements and decisions in green financing. will systematically capture and analyze data from its activities to enhance efficiency and inform international green finance strategies, with a focus on gender inclusivity.

4.5 Added Value of the Programme

The program aims to enhance the financial sector for SMEs by:

- Bridging the finance gap for SMEs through partnerships with financial institutions and impact investors, strengthening green finance opportunities.
- Reducing the environmental impact of SMEs, promoting clean energy, and increasing resilience and competitiveness in the face of climate change.
- Raising awareness about green finance within the SME ecosystem in Bangladesh.
- Mobilizing capital from various sources to provide SMEs with access to green finance.
- Integrating efforts across the landscape to improve access to green finance for SMEs, involving sensitization of all stakeholders.
- Incorporating digital innovations like bookkeeping tools, e-commerce platforms, and financial literacy, while addressing the digital gender divide and applying international best practices for green initiatives.

4.6 Resources

Financial Management and Accountability Measures - Truvalu and One to Watch maintain robust financial management systems aligned with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs). They emphasize internal control, integrity, accountability, and transparency. Additionally, a specialized financial management manual will be developed for this program, ensuring compliance with Swiss Embassy requirements. UNCDF will align with UN policies and procedures to ensure financial management and accountability.

Reflections on Cost-Benefit Analysis (CBA) - The first phase of the program requires an initial investment of CHF 8.7 million for various interventions to enable green finance for SMEs. Despite a low initial benefit-to-cost ratio, the program has a positive net present value (NPV) and an internal rate of return (IRR) of 13.2%. While the IRR is lower than the discount rate of many investors, it aligns with the lending rate of financial institutions (FIs). Over the long term (8 years+), the benefit-to-cost ratio improves, indicating substantial benefits after year 4. A collective effort involving private sector partners can unlock advantages for all stakeholders, promoting green financing and climate impact beyond the program's duration.

4.7 Sustainability and Exit Strategy

The program will implement a “Phasing Over” exit strategy, focusing on establishing a green impact fund and ensuring SMEs are equipped for sustainable business practices. The Swiss Embassy will phase out support, encouraging private sector uptake and self-sufficiency among SMEs, banks, and investors in green financing. The strategy anticipates SMEs valuing business development services (BDS) and capacity building, banks recognizing SMEs as viable for green finance, and policymakers fostering a supportive regulatory environment. The long-term goal is to transition ownership to stakeholders, with the expectation that SMEs will become investment-ready and drive the green agenda forward, making green financing a sustainable business sector without the need for subsidies.

After the first phase's capacity-building and incentives, financial institutions (FIs) are likely to recognize the value of investing in the greening of SMEs. The establishment of a Green Fund by the consortium is expected to further catalyze financing for SMEs' environmental initiatives. Bangladesh's commitment to the Paris Agreement and its goal to reduce emissions by 6.73% by 2030 necessitates significant investment, which cannot be met by focusing solely on large corporations. The program aims to integrate climate considerations into the financial system, with the long-term goal of fulfilling the country's NDC commitments through both greening finance and green financing. Strategic bi-annual meetings will evaluate the program's impact and develop strategies for sustained support, including an exit strategy that ensures the continuation of green financing for SMEs.

4.8 Description of Contribution as an Intern in Investment Team

4.8.1 Tasks

1. Investment Analysis – My primary responsibility was to scrutinize investment opportunities. I worked closely with my supervisor to identify SMEs that met our investment criteria. We meticulously reviewed documents provided by SMEs, analyzing their audited financial statements to understand their financial health. This process was crucial in shortlisting candidates for further, more detailed assessments.
2. Communication – With my expertise in social media management and graphic design, I was a key contributor to the communication team’s efforts. My role involved planning and creating engaging social media posts, developing identity guidelines, and designing brochures and motion graphics. These tasks were vital in enhancing Truvalu’s brand presence and outreach.
3. Market Analysis – Keeping abreast of market conditions was an integral part of my role. I regularly analyzed market drivers, trends, and growth opportunities, providing the investment team with valuable insights that informed our investment strategies.
4. Industry Analysis – To aid in diversifying Truvalu’s investment portfolio, I conducted in-depth analyses of various industries. My reports on the Solar Power and Seedlings industries, as well as the broader agricultural sector in Bangladesh, helped identify new investment opportunities.
5. Business Development Service (BDS) – As a private equity company, Truvalu intends growth of their client SMEs. In that intention, Truvalu provides 2 kinds of business development services – access to market and access to finance. I regularly interacted with the SMEs to get the basic understanding of their needs and helped to develop a tailored business development service for them.
6. Planning of A2GF – The Access to Green Financing (A2GF) program is designed to improve green initiatives among SMEs in Bangladesh. I was involved from the initial planning stages, studying Green Financing Policies to ensure the program’s success and relevance to our clients’ needs.
7. Cross Functional Collaboration – My internship experience was enriched by the opportunity to collaborate across different departments. This cross-functional collaboration was key to achieving the comprehensive outcomes that Truvalu strives for in its operations.

4.8.2 Working Conditions and Functions

At Truvalu Bangladesh, the working conditions reflect a blend of structure and flexibility, fostering an environment conducive to professional growth and work-life balance. The standard workweek runs from Sunday to Thursday, aligning with the local business customs. Employees enjoy the option to work remotely, a testament to the trust and adaptability ingrained in the company's culture. Prior notice to supervisors ensures smooth transitions between in-office and home settings.

The organizational culture at Truvalu is marked by a collective of highly professional and knowledgeable individuals. This professional ethos is not just about maintaining standards but also about nurturing a learning environment where every team member can thrive. The functions of Truvalu extend to a broad spectrum of activities, from investment management to providing comprehensive business development services. These services aim to enhance the operational efficiency, financial management, and market expansion of Small and Medium Enterprises (SMEs), driving both economic returns and social impact. The commitment to creating opportunities, particularly through gender lens investing and entrepreneurship programs, underscores Truvalu's dedication to contributing positively to Bangladesh's economic landscape.

4.8.3 Challenges

During my internship at Truvalu Bangladesh, I encountered significant challenges that tested my adaptability and communication skills. The daily commute from Narayanganj to Gulshan was a substantial hurdle. Navigating through the bustling traffic and managing the time effectively to ensure punctuality was a lesson in time management and patience. Moreover, collaborating with the international team presented a steep learning curve. Transitioning to European communication styles required a keen understanding of cultural nuances and an openness to different perspectives. It was a transformative experience that honed my ability to communicate across diverse cultural backgrounds, ultimately enhancing my professional development.

4.8.4 Experience and Learning

Throughout my internship at Truvalu Bangladesh, I immersed myself in a comprehensive learning journey that spanned various facets of the business world. My experience in investment analysis was particularly enriching, as I learned to navigate the complexities of financial statements and discern the potential of SMEs for our investment portfolio. Delving into the realm of green financing, I explored the nuances of sustainable finance policies in Bangladesh, gaining insights into their pivotal role in shaping the future of SMEs. My proficiency in survey design and data analysis also saw significant growth, equipping me with the analytical skills to interpret market trends and inform business strategies.

In addition to these technical skills, I honed my expertise in several essential software tools. My ability to craft compelling presentations in PowerPoint, perform intricate data analysis in Excel, and document findings in Word was greatly enhanced. The use of Google's G Suite and Dashboard became second nature, allowing me to collaborate effectively and visualize data for impactful decision-making. This internship was not just a period of professional development but also a transformative experience that expanded my understanding of the business landscape and developed a versatile skill set in me for my career.

4.8.5 Interactions with Co-workers

During my internship at Truvalu Bangladesh, the interactions with my co-workers were exceptionally positive. I had the privilege of working closely with two Chartered Financial Analyst (CFA) holders who generously shared their expertise and mentored me throughout my journey. Beyond work-related discussions, we engaged in conversations about various topics, fostering a sense of camaraderie. These interactions not only enriched my professional knowledge but also allowed me to form meaningful connections with my colleagues. Additionally, we occasionally stepped away from our desks and enjoyed outings together, further strengthening our bonds. Overall, the collaborative and supportive environment at Truvalu made my internship experience truly enjoyable and rewarding.

Chapter 5: Analysis and Findings

5.1 Company Level Analysis

Based on my internship experience at Truvalu enterprises Limited, I have observed several internal processes that I consider exceptionally efficient. These include:

- **Collaborative Environment:** The company fosters a collaborative environment where different departments work closely together. This synergy enables effective communication and facilitates the successful implementation of projects like the Access to Green Financing (A2GF) program. The cross-functional collaboration I experienced during my internship was particularly noteworthy, as it allowed me to gain insights into various aspects of the business and contribute meaningfully to the projects I was involved in.
- **Adaptability and Flexibility:** Truvalu's culture emphasizes adaptability and flexibility. This is reflected in the company's willingness to adopt new technologies and innovative strategies. For instance, the use of remote work options and flexible work schedules demonstrates the organization's commitment to work-life balance and employee satisfaction.
- **Professional Development:** The company places significant emphasis on the professional development of its employees. This is evident in the comprehensive training programs and mentorship opportunities provided to interns like myself. The guidance and support I received from my supervisor and colleagues were invaluable in enhancing my skills and knowledge.
- **Data-Driven Decision Making:** Truvalu's reliance on data-driven decision making is another efficient process. The company's use of data analytics and market research ensures that investment decisions are informed and strategic. This approach not only enhances the company's financial performance but also contributes to the long-term sustainability of the businesses it invests in.
- **Sustainability Focus:** Truvalu's commitment to sustainability is a key aspect of its business model. The company's focus on green financing and environmental stewardship not only aligns with global trends but also contributes to the economic development and social well-being of the communities it serves.

On the other hand, there were some processes that could be improved upon. For instance:

- **Communication Challenges:** As an international team, there were occasional communication challenges due to differences in cultural backgrounds and communication styles. While these challenges were manageable, they did require extra effort to overcome.
- **Limited Resources:** As a relatively smaller private equity firm, Truvalu may face limitations in terms of resources compared to larger firms. This could impact the company's ability to scale operations or invest in certain projects.

- **Market Concentration:** Truvalu's primary focus on Bangladesh may limit its exposure to global market trends and diversification benefits. This could be addressed by expanding the company's operations to other emerging markets
- **Regulatory Compliance:** The private equity industry is subject to various regulations and compliance requirements. Truvalu's ability to navigate these regulations effectively is crucial for its success. While the company seems to be well-equipped to handle these challenges, there may be instances where regulatory compliance could be improved.

Overall, my internship experience at Truvalu.enterprises Limited has provided valuable insights into the company's internal processes and operations. While there are areas for improvement, the company's commitment to sustainability, professional development, and data-driven decision making are notable strengths that contribute to its success.

5.2 Market Level Analysis

As part of my internship at Truvalu.enterprises Limited, I had the opportunity to assess the company's competitive position in the market. This analysis is particularly relevant to my duties, as I was involved in various market-related tasks, including market analysis and industry analysis. Based on my experiences and insights, I will provide a comprehensive assessment of Truvalu's competitive position in the market.

Truvalu's primary focus on impact investing and its commitment to sustainable development set it apart from other private equity firms operating in Bangladesh. The company's emphasis on green financing and its collaboration with international partners underscore its role as a catalyst for positive change in the region. This unique positioning allows Truvalu to differentiate itself from competitors and attract a distinct client base.

The private equity industry in Bangladesh is characterized by a mix of indigenous and exogenous factors, including rapid urbanization, industrial growth, and the government's emphasis on infrastructure, health, hygiene, and empowerment-related societal development. This dynamic environment presents both opportunities and challenges for private equity firms. Truvalu's ability to adapt to these changes and leverage its strengths in impact investing has enabled it to maintain a competitive edge.

Truvalu's market share in the private equity sector is significant, with a focus on SMEs. The company's commitment to gender lens investing and its collaboration with international partners have contributed to its growth and success. The market share of Truvalu is expected to continue growing as the company expands its reach and diversifies its investment portfolio.

Truvalu's competitive advantage lies in its unique blend of impact investing and sustainable development. The company's focus on green financing and its collaboration with international partners have enabled it to differentiate itself from competitors and attract a distinct client base. Additionally, Truvalu's commitment to capacity development and technical assistance in green financing has enhanced its competitive position in the market.

The private equity industry in Bangladesh is subject to various threats and opportunities. The recent integration into the global market has heightened the stakes for local private equity firms, which face an emerging threat from international competitors. However, this integration also presents opportunities for local firms to learn from international best practices and adapt to changing market conditions. Truvalu's ability to navigate these challenges and capitalize on opportunities will be crucial for its continued success.

Truvalu's competitive position in the market is strong, driven by its unique blend of impact investing and sustainable development. The company's focus on green financing and its collaboration with international partners have enabled it to differentiate itself from competitors and attract a distinct client base. Truvalu's commitment to capacity development and technical assistance in green financing has enhanced its competitive position in the market. The company's ability to adapt to changing market conditions and capitalize on opportunities will be crucial for its continued success in the competitive private equity landscape of Bangladesh.

5.3 Professional Level Analysis

As I reflect on my internship experience at Truvalu.enterprises Limited, I am convinced that it has significantly influenced my future career plans. The internship provided me with invaluable exposure to the private equity industry, allowing me to gain practical insights into the sector and develop a deeper understanding of its dynamics.

Throughout my internship, I was able to apply theoretical knowledge acquired during my studies at the Islamic University of Technology (IUT) to real-world scenarios. This hands-on experience enabled me to bridge the gap between academic theory and practical applications. My university education in Technology Management, with a minor in Finance, provided a solid foundation for understanding the intricacies of the private equity industry. The internship allowed me to build upon this knowledge, developing a more comprehensive understanding of the sector and its various aspects.

During my internship, I faced several challenges that tested my adaptability and communication skills. The daily commute from Narayanganj to Gulshan was a significant hurdle, requiring me to manage my time effectively to ensure punctuality. Additionally, collaborating with the international team presented a steep learning curve, as I needed to navigate cultural nuances and adapt to different communication styles. These challenges, however, were transformative experiences that honed my ability to communicate across diverse cultural backgrounds and enhanced my professional development.

The internship has significantly influenced my future career plans by providing me with a deeper understanding of the private equity industry and its various aspects. The experience has also equipped me with a versatile skill set, including proficiency in software tools such as Google's G Suite and Dashboard, and the ability to craft compelling presentations in PowerPoint. Furthermore, the internship has instilled in me a greater appreciation for the importance of continuous learning and professional development, which I believe will be essential for success in my future career.

My internship experience at Truvalu enterprises Limited has been a transformative experience that has significantly influenced my future career plans. The internship has provided me with invaluable exposure to the private equity industry, allowing me to gain practical insights into the sector and develop a deeper understanding of its dynamics. The experience has also equipped me with a versatile skill set and instilled in me a greater appreciation for the importance of continuous learning and professional development.

5.4 Findings

The findings of this report highlight the crucial role of green financing in promoting sustainable economic growth and environmental stewardship in emerging markets like Bangladesh. The Access to Green Financing (A2GF) program at Truvalu Bangladesh demonstrates the company's commitment to integrating green financing into its investment portfolio, enhancing the capabilities of SMEs in the country. The program's objectives, scope, and limitations are clearly defined, emphasizing its potential in bridging the finance gap for SMEs, reducing environmental impact, and increasing resilience and competitiveness in the face of climate change. The report's analysis underscores the importance of initiatives like Truvalu's A2GF program in promoting sustainable economic growth and environmental stewardship, underscoring the need for strategic stakeholder engagement, diversified investment portfolios, and digital innovations to advance the program's objectives.

Chapter 6: Conclusion and Recommendation

6.1 Conclusion:

The report provides a comprehensive analysis of Truvalu's A2GF program, highlighting its strategic imperatives in integrating green financing into its investment portfolio. The program's objectives, scope, and limitations are clearly defined, demonstrating Truvalu's commitment to promoting sustainable financing solutions and enhancing the capabilities of SMEs in Bangladesh. The report's findings emphasize the program's potential in bridging the finance gap for SMEs, reducing environmental impact, and increasing resilience and competitiveness in the face of climate change.

6.2 Recommendations

Truvalu should prioritize stakeholder engagement, diversify its investment portfolio, and invest in digital innovations to advance its program's objectives. It should integrate climate considerations into its financial system, regularly monitor and evaluate the program's progress, and foster a collaborative environment within the company. Additionally, Truvalu should develop a comprehensive exit strategy, explore international best practices in green financing, maintain robust financial management systems, and continuously educate and train its employees. By implementing these strategies, Truvalu can enhance the impact of its A2GF program, contributing to sustainable economic growth, environmental stewardship, and social development in Bangladesh.

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Appendices

During the internship period, all the weekly reports regarding weekly work activities signed by both the company and academic supervisor are attached here. The total number of weekly reports is 12. These weekly reports are made with proper care and order.