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ROLE OF GREEN FINANCE IN PROMOTING SUSTAINABLE DEVELOPMENT GOALS (SDGS)

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Keywords	Abstract
Green Finance, Sustainable Development Goals, SDGs.	Green finance is a key instrument for achieving the Sustainable Development Goals (SDGs) since it is essential in balancing environmental sustainability with economic growth. This study is motivated with the fact there is an urgent need to investigate how green finance might be used to accomplish the Sustainable Development Goals (SDGs), as evidenced by the widening financial gaps in India's sustainable development agenda. Hence, the purpose of the study is to evaluate the role of role of green finance in promoting SDGs The collected data was analysed using One Sample t-test. The findings of the study indicated that Mobilizing sustainable capital for eco-friendly projects, Financing renewable energy sources like solar and wind, Supporting low-carbon industrial development, Funding climate-resilient infrastructure, Investing in sustainable urban development and green transport, Encouraging corporate adoption of ESG practices, Providing green microfinance for poverty reduction and jobs, Funding biodiversity conservation and afforestation, Supporting marine ecosystem protection projects, Reducing pollution-related health risks, Financing innovations in clean technologies, Strengthening policy implementation for sustainability, Enhancing global cooperation through green investment funds, and Promoting water conservation and sustainable agriculture are significant role of Green Finance



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1. INTRODUCTION

Sustainability is anticipating growth while reducing the negative effects that any new development will have on the environment. The international organisation that strongly advises all nations to pursue sustainability is the United Nations Framework Convention on Climate Change, which was established in 1994. Other globally significant projects include the UN Sustainable Development Goals (Pedersen, 2018) and the Kyoto Protocol (Böhringer, 2003). The UNDP's Sustainable Development Goals, or SDGs, are a set of objectives that address the possibility of sustainable development. They are reasonably priced and include clean energy, sustainable cities and communities, climate action, and the preservation of both terrestrial and marine life. It takes more money and effort to achieve sustainability with development. Another full background is the need for technical development and a conducive environment. The problem of handling costs was addressed by the introduction of several novel financial instruments. Green finance is a cutting-edge financial instrument that, with sufficient money and support, helps achieve the clean energy attainment mechanism (Zakari & Khan, 2022). One important way that green finance may be used for environmental sustainability is through policy creation and market demand for such activities (Wang & Zhi, 2016). According to several Chinese research, the green total factor productivity is directly impacted by green financing (Lee & Lee, 2022).

1.1 Sustainable Development Goals (SDGs)

Adopted by all United Nations Member States in 2015, the Sustainable Development Goals (SDGs) are a global collection of 17 interrelated objectives aimed at eradicating poverty, safeguarding the environment, and ensuring prosperity for everyone by 2030. From clean energy and climate action (SDGs 7 and 13) to quality education, gender equality, and decreased inequalities, the SDGs, which are framed under the 2030 Agenda, integrate economic, social, and environmental dimensions in such a way that progress in one area reinforces outcomes in other areas (United Nations, 2015). In order to align policy, funding, and implementation efforts towards inclusive and sustainable development, governments, corporations, and civil society adhere to their universal, indivisible, and leave no one behind principles.

1.2 Sustainability and Green Finance Concept

Sustainability is anticipating growth while reducing the negative effects that any new development will have on the environment. The international organisation that strongly advises all nations to pursue sustainability is the United Nations Framework Convention on Climate Change, which was established in 1994. Other globally significant projects include the UN Sustainable Development Goals (Pedersen, 2018) and the Kyoto Protocol (Böhringer, 2003). Specifically, climate change-related activities are associated with both mitigation and adaptation finance. While adaptation finance refers to investments that help reduce the vulnerability of goods and people to the effects



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of climate change, mitigation finance refers to investments in projects and programs that help reduce or avoid greenhouse gas emissions (GHGs). (Höhne et al, 2012). "Green finance and green investment are frequently used interchangeably,". Green finance, as defined by Bloomberg New Energy Finance and others, really encompasses a broader range of activities. The fact that it covers operating expenses for green projects that aren't covered by the concept of green investment is crucial. It would, of course, involve expenses like project planning and site acquisition, both of which are not only substantial but might present unique financial difficulties.

1.3. Types of Green Finance

Type	Description	India-specific example(s)
Green bonds	Debt securities whose proceeds are earmarked for environmental projects.	REC, NTPC and municipal green bonds; India's sustainable debt market crossed major milestones in 2024.
Green loans & green mortgages	Loans designated for green projects or energy-efficient assets.	SBI and HDFC offering green home loans; loans for rooftop solar projects under MNRE schemes.
Green equity & ESG funds	Equity investments and mutual funds that follow ESG/green mandates.	ICICI Prudential ESG Fund; other India-listed ESG mutual funds.
Green insurance & parametric risk transfer	Insurance products to manage climate and disaster risks.	Parametric weather and crop-loss insurance pilots in India.
Public green finance (subsidies & incentives)	Fiscal measures and government programs to incentivize green projects.	Rooftop solar subsidies under PM Surya Ghar – Muft Bijli Yojana; EV incentives under FAME.

2. REVIEW OF LITERATURE

2.1 Khurshid, S., Ullah, AR., et al. (2025)

Analysed in this research study regarding the increase in demand regarding alternative sources of renewable energy as well as sustainable finance have catalysed research among the following fields. Assessing of sustainable methods is implemented with criteria pertaining to ESG during the study's course. The study explored impact of green economic advancements, renewable energy, as well as sustainable finance which serves as moderating variable, which employs data collected through secondary data from 2011-2020 across nations of G-20.

2.2 Mahmood, S., Sun, H., et al. (2024)

Elucidated in their research study regarding the impact of green finance over building of sustainable infrastructure, advancements of green technological innovations, economic stability, corporate social responsibility, as well as preservation of the environment with respect to funding of Belt and Road Initiative, emphasizing particularly on their execution with respect to the initiatives which are linked with China Pakistan Economic Corridor. The findings indicated substantial impact of green finance on innovation of green technologies as well as sustainable development of the infrastructure.



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2.3 Kharb, R., Saini, N., et al. (2024)

Examined connection among green finance, FDI, ecological sustainability, foreign development, as well as innovative green technologies. This research applies model of random effect as well as fixed effect, in association with robustness analysis, for gaining empirical insight within the associations. The findings highlighted the importance of the role of Green Finance to promote greener technologies as well as to motivate economies for pursuing sustainability.

2.4 Afzal, K., Shaheen, W., et al. (2024)

Described in their research about intricate interaction between environmental regulations, effect over ecological footprint, and Green Finance. The study also assess the manner in which green technology innovation mediate the following associations. The results derived from the research shows the importance to establish green financial systems as well as to create impactful environmental regulations for addressing problems like pollution of soil and water, and technological growth to attain sustainable development.

2.5 Ali, A., Li, J., et al. (2024)

Mentioned regarding sustainable future of Emerging Market Economies which caters on achieving of SDG, especially SDG 8, that is linked with Green Economic Growth as well as factors such as Technological Innovation, and Green Finance, and various control variables. The study focused on the significance for prioritising promoting of Green Finance and enhancing Human Capital and Technological Innovation, and also to regulate process of Ecological Globalization, and FDI towards attaining of sustainable development by the policymakers.

2.6 Chaudhry, N. & Hussain, M. (2023)

Highlighted the manner in which Green Finance impact the achieving of five important goals of sustainable development within the economic framework of Pakistan. The research grounds regarding initiative introduced by State Bank of Pakistan with respect to renewable energy in the year 2016. It investigates influence of Green Finance over all the 5 SDGs. The findings derived shows postive contribution of green finance over SDG 3,12, & 13, and that the impact is minimum on SDG 1 & 2.

3. OBJECTIVES OF THE STUDY

1. To evaluate the role of Green Finance in Promoting Sustainable Development Goals (SDGs).
2. To give recommendations to various stakeholders towards strengthening green finance as a driver of SDGs in India

4. HYPOTHESIS

H₀: The mean score of Role of Green Finance in promoting Sustainable Development Goals is less than or equal to 3

H₁: The mean score of Role of Green Finance in promoting Sustainable Development Goals is greater than 3



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5. RESEARCH METHODOLOGY

Table No: 1 Research Methodology

Research Design	Descriptive
Data Collection	Primary and Secondary
Sampling Technique	Non-Probability Purposive Sampling
Sample Size	110 Bank Managers
Sample Size Determination	According to Faul et al. a minimum sample size of 45 is required for conducting a one-tailed one-sample t-test.
Statistical Technique	Parametric One-Sample t-test
Statistical Tool	R Studio Software

6. DATA ANALYSIS AND INTERPRETATION

Table No: 2 one sample t test

Items	t – statistics	P – value	Ha: mean score of Role of Green Finance in Promoting Sustainable Development Goals > 3
Mobilizing sustainable capital for eco-friendly projects	20.98	0.000	Significant
Financing renewable energy sources like solar and wind	21.90	0.000	Significant
Supporting low-carbon industrial development	24.44	0.000	Significant
Funding climate-resilient infrastructure	24.77	0.000	Significant
Investing in sustainable urban development and green transport	21.44	0.000	Significant
Encouraging corporate adoption of ESG practices	20.45	0.000	Significant
Providing green microfinance for poverty reduction and jobs	20.12	0.000	Significant
Funding biodiversity conservation and afforestation	23.11	0.000	Significant
Supporting marine ecosystem protection projects	23.65	0.000	Significant



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Reducing pollution-related health risks	20.89	0.000	Significant
Financing innovations in clean technologies	21.77	0.000	Significant
Strengthening policy implementation for sustainability	22.76	0.000	Significant
Enhancing global cooperation through green investment funds	21.89	0.000	Significant
Promoting water conservation and sustainable agriculture	23.44	0.000	Significant

The results of the one-sample t-test reveal that all the evaluated items related to the role of Green Finance in promoting Sustainable Development Goals (SDGs) have t-values significantly greater than zero and p-values of 0.000, which are well below the standard significance threshold of 0.05. This indicates a statistically significant difference from the test value of 3, supporting the alternative hypothesis that Green Finance plays a positive and high-impact role in advancing SDGs. Key areas such as mobilizing sustainable capital for eco-friendly projects, financing renewable energy sources, supporting low-carbon industrial development, funding climate-resilient infrastructure, investing in sustainable urban development, and encouraging corporate ESG adoption all demonstrate strong and consistent impact. Similarly, aspects like green microfinance for poverty reduction, biodiversity conservation, marine ecosystem protection, clean technology innovations, water conservation, and sustainable agriculture also show high significance, highlighting the multi-dimensional contribution of Green Finance.

Overall, the findings suggest that Green Finance is significantly accelerating progress toward achieving the Sustainable Development Goals by channeling resources into environmentally responsible and socially inclusive projects.

7. CONCLUSION

The study's conclusions support the idea that green financing is becoming a key component in the pursuit of the Sustainable Development Goals (SDGs). In addition to tackling environmental issues, it also advances social development objectives like poverty alleviation, health enhancement, and job creation by allocating sustainable capital to renewable energy, low-carbon industries, climate-resilient infrastructure, green transportation, and biodiversity preservation. Green financing also supports sustainable agriculture, fosters innovation in clean technology, and drives corporate ESG adoption. A major change in bringing financial institutions into line with sustainability requirements is seen in India's increasing interest in green bonds, sustainability-linked loans, ESG funds, blended finance, and carbon markets. However, issues including disjointed taxonomies, low market penetration, and greenwashing threats draw attention to the necessity of more robust regulatory frameworks, precise standards, and efficient oversight. To increase the effect of green finance, collaboration between the government, financial institutions, corporations, and foreign



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partners must be strengthened. In this sense, it may be used as a developmental approach as well as a financial avenue to bridge the SDG finance gap and create a resilient, inclusive, and low-carbon future.

8. SUGGESTIONS

- The Indian government should create a common green finance taxonomy to provide investors clarity and consistency.
- RBI and SEBI could look into making ESG disclosures more required in order to improve accountability and transparency in sustainable financing.
- Concessional green loans for energy-efficient homes, renewable energy, and sustainable agriculture initiatives may be extended by commercial banks.
- More green municipal bonds might be issued by local governments to pay for waste management, water systems, and sustainable transportation.
- The business sector could be encouraged to link financing and ESG performance through the wider use of sustainability-linked loans.
- Development banks and DFIs may employ blended finance to reduce the risk of funding rural renewable energy projects and climate-resilient infrastructure.
- Insurance firms can develop parametric policies to shield farmers and urban dwellers against extreme weather events.
- Policymakers should increase incentives under rooftop solar programs like FAME in order to draw in more private green capital.

9. AUTHOR(S) CONTRIBUTION

The writers affirm that they have no connections to, or engagement with, any group or body that provides financial or non-financial assistance for the topics or resources covered in this manuscript.

10. CONFLICTS OF INTEREST

The authors declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

11. PLAGIARISM POLICY

All authors declare that any kind of violation of plagiarism, copyright and ethical matters will take care by all authors. Journal and editors are not liable for aforesaid matters.

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