

SUSTAINABLE GREEN ECONOMIC GROWTH THROUGH “GREEN FINANCE”

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ABSTRACT

The purpose of this paper is to understand the green growth by MSME sectors & examine the role of banking sector and financial institutions in its contribution towards green financing. The review of literature indicates that, increasing energy consumption and natural resources as against the regenerating capacity of the planet would hamper the economic growth and hence green initiatives would be a tool for sustainable inclusive growth. The investigation used case study research method, to understand the green growth of MSME sectors and also examines the role of banks in green financing. The study shows that the government initiatives has provided significant opportunity for MSME sector to deliver the right product, right quality and right solution at competitive price and contribute better to the green economic growth of the country. Also, the guidelines provided by RBI has enabled banks and other financial institution to take proactive steps towards this growth. The policy guidelines by government and RBI would help the firms implement green practices contributing to the economic development. The paper highlights the importance of green finance as a tool towards financial inclusivity. The paper contributes to the academic knowledge in highlighting opportunities available to different sectors.

Keywords: Green Finance, MSME, Banks and financial institutions, Financial Inclusion, Sustainability