

A Systematic Literature Review on Development of Green Financing in SAARC Countries

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Abstract

The Covid-19 crisis has pulled back the 17 Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development in emerging and advanced economies. A systematic literature review was conducted to explore the status, hindrances and opportunities available to boost the green financing in SAARC countries. The study found that Bhutan and Maldives stands at top in average energy efficiency score, while Afghanistan and Nepal at lowest. Emerging economies including India, Pakistan, Bangladesh, Bhutan and Sri Lanka has already introduced and facilitated green bonds to the investors. However, lack of funds, transparency and accountability are some of the major hindrances in the development of green economy in SAARC countries. Low sovereign credit rating and poor rating of the bonds issuer are the serious issues which pulls back investors to invest in green bonds. Along with better parity between risk-return and maturity, factors including financial development (backed with green technologies), technological advancement, carbon pricing and green bonds, can act as a base to boost green financing in SAARC countries. Governments, financial institutions and even non-banking financial institutions are working in coordination to develop green infrastructure and emerge as a green leader. This systematic literature review will be helpful for academicians, professionals and to the policy makers, in better understanding of the green market in SAARC countries. The policy makers can take the findings, hindrances and suggestions as a base for the development of environment friendly policies.

Keywords

Sustainable Development Goals, Green Financing, Energy Efficiency Score, Green Bonds, Green Infrastructure.

Biographies

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