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Chapter

Green Banking

Taslima Julia and Salina Kassim

Abstract

Green banking being a new trend deserves more attention. Understanding green banking, its nature, importance, impact on spreading green, its link to sustainable development goals (SDGs), and Maqasid Shariah is vital. Therefore, this chapter is going to cover the abovementioned essentials. Banks' financing that care about the environment is green banking. Banks can contribute enormously to restore environmental balance and to preserve a livable condition for future generation through green banking. Only binding regulation can ensure the involvement of banks in green practices, for example, Bangladesh. To face the reality, when leaders are committed to implement SDGs by 2030, involvement of banks in green practices could accelerate the process of implementation. Coincidently, green banking features and objectives are very close to Maqasid Shariah. Based on desk research and document analysis technique, this chapter is going to establish that green banking, SDGs, and Maqasid Shariah are complementary to each other.

Keywords: green banking, Islamic banking, Maqasid Shariah, green banking and Maqasid Shariah, SDGs and Maqasid Shariah

1. Introduction

Usually, the concept of financing covers many sources of financing, and banking is one of the sources. Green banking is a new trend of banks' financing. It is a product of green movement initiated by world leaders to maintain a livable condition for future generations [1]. The recent commitments of leaders to attain sustainable development goals (SDGs) by 2030 will be impossible without successful implementation of green banking. It is a new avenue for both conventional and Islamic banks to care for the environment while financing.

Green banking is an eco-friendly financing. Banks' concern about environmental well-being while financing to businesses is considered as green banking. To get a sustainable positive impact from business, green banking is essential. Businesses are the driver of the economy, and sustainable business can influence the sustainability of the economy; therefore, successful green business establishment is crucial. Central banks' role is imperative in introducing and implementing green banking.

Green banking has a positive connection with Maqasid Shariah as well as few of sustainable development goals such as goal no. 7, 9, 11, 12, and 13. On the other hand, green banking features and objectives are very close to Maqasid Shariah. The objective of Shariah (Islamic law) is known as Maqasid Shariah. The term Maqasid refers to purposes or goals in Arabic. Basically, the word Maqasid Shariah refers to the devotions of Islamic law. The purposes, rationales, as well as common good in the Islamic rulings are accentuated by the term Maqasid while basing itself on the Islamic scripts as well as observing the Islamic faith. In general, conservation,

reduced dependency on paper, increased online banking, and environmental risk rating before granting financing to a borrower are few features of green banking which do not contradict with Maqasid Shariah rather meet the objectives of Shariah. This chapter is divided into various sections for easy representation of the detail of green banking: the second section is going to discuss about the methodology used to gather data, the third section explains what is green banking, the fourth section represents the importance of it, the fifth section elaborates the impact of it to introduce green business, the sixth section demonstrates the link among green banking, Islamic banking, Maqasid Shariah, and SDGs, and finally, the conclusion sums up the chapter.

2. Methodologies

This chapter has used secondary data. The data is gathered following desk research method, and the data is analyzed following document analysis technique. Document analysis is a methodical process of revising or appraising documents—both published and electronic (computer-based and Internet-transmitted) material. Like other systematic approaches in qualitative research, document analysis wants that data to be scrutinized and deduced to stimulate meaning, gain empathetic, and advance pragmatic knowledge [2]. Documents used for systematic evaluation may be a variety of forms. They include advertisements, agendas, attendance registers, and minutes of meetings, manuals, background papers, books and brochures, diaries and journals, event programs (i.e., printed outlines), letters and memoranda, maps and charts, newspapers (clippings/articles), press releases, program proposals, application forms, and summaries, radio and television program scripts, organizational or institutional reports, survey data, and various public records. The current chapter especially searched websites, articles related to green banking, Maqasid Shariah, SDGs, used published or working paper of various recognized institutions, green banking reports published by Bangladesh Bank, etc.

3. Definition of green financing, green banking, and green business

The green financing concept is an invention of green growth movement and green growth links to green economy; the origin of green economy is found in sustainable development concept. Until now there is no widely accepted definition of green financing; however, the definition given by the German Development Institute is considered as a recognized one—"Green finance comprise financing of (including preparatory cost and capital cost) green investments, financing of public green policies and green financial system." What Dr. Nannette's definition elucidates is the areas of green investments—climate change adaptation, energy efficiency, renewable energies, and other climate change mitigation, for example, reforestation. The components of financial system have made it clear that it should deal specifically with green investments, such as the Green Climate Fund or financial instruments for green investments (e.g., green bonds and structured green funds), as well as their detailed legal, economic, and institutional framework conditions [3]. According to the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), "Green Finance is a strategic approach to incorporate the financial sector in the transformation process towards low-carbon and resource-efficient economies, and in the context of adaptation to climate change" [4]. Green financing is an idea that is more comprehensive than green banking, and banks are one of the most

important sources of financing; however, nonbank financial organizations are also a significant basis of funding for green projects.

Nevertheless, the concept of green banking had substituted banks' motive to "planet, people, and profit" from "profit, profit, and profit." Green banking is also known as environmental banking; in broad perception, green banking practices eco-friendly methods and encourages its patrons to reduce the carbon footprint by their banking procedures [5]. According to Bangladesh central bank—"Green banking is a component of the global initiatives by a group of stakeholders to save environment" [6]; the sustainable banking concept is the outcome of the society and environment-oriented banking practices. Recently, Bangladesh Bank has integrated "sustainability" into core banking practices through green banking, corporate social responsibility, and financial inclusion. Green banking is a category of banking practices considering all the social and ecological factors with an aim to defend the environment and preserve natural resources. It is also called as ethical banking or sustainable banking [7]. Saruti Garg stated that green banking is a shade that symbolizes practices and policies which help banks to be environmentally, economically, and socially responsible. Banks should conduct their operation in suitable manner and in suitable areas to reduce both external carbon emission and internal carbon footprint [8]. Consequently, business that took green financing from bank and other sources to involve in environmentally friendly business is considered as green business. According to Smith and Friend, "green businesses" are businesses and practices that are viewed as naturally detailed, used living and natural products to generate factories and supervision to protect against releases, and utilized eco-friendly materials [9, 10]. Earlier, Zsolnai explains in 2002 that business that ponders over the thought of ecology in undertaking numerous tasks of business is called green business [11]. Gilbert again classified that green businesses are those businesses which can interchange activity in a method so that either it ensures natural benefit or its activities limit negative ecological effect [12]. A business that uses lesser natural resources to accomplish the duties requires and utilizes sustainable methods and materials such as producing sustainable products as raw materials (recycled, plant-based or organically grown) and recycling (paper, plastic, electronics, glass, and aluminum) which is known by Morebusiness.com as green business.

4. Importance of green banking

Banks are very important financial intermediaries to collect money from surplus units to disburse money to deficit units. Banks by its financing activities help economy to move on. Therefore, to face the reality of achieving SDGs, banks should involve in green banking. The central banks' role here is imperative. Policy and guideline creation and enforcement of that can ensure the successful implementation of green financing by banks. Out of 17 SDGs, goal No. 7 affordable and clean energy; goal No. 9 industry, innovation, and infrastructure; goal No. 11 sustainable cities and communities; goal No. 12 responsible consumption and production; and goal No. 13 climate actions are goals with successful implementation of those are related to green banking.

5. Impacts of green banking to create green businesses

Since 1987 to achieve sustainable development, many new movements have been introduced; few of those were green economy, green growth, low-carbon

development [13], millennium development goals, green financing, etc.; however, participation in those movements was nonbinding and voluntary in nature. Therefore, desired outcomes were difficult to attain; hence, in 2015, a binding agreement among world leaders has been signed, named as Paris climate agreements. After signing the agreement, introducing green banking became mandatory by all signing nations [14]. Binding regulation and strong enforcement of it really has a great impact on business as well as economy; the best example is Bangladesh. Atiur Rahman, known as a green governor, inaugurated green banking policy and guidelines in 2011 and strictly followed up that banks and nonbank financial institutions implemented the policy accordingly [15, 16]. Consequently all 60 banks and 34 nonbank financial institutions now have their own green banking units, in-house green activities, and publishing green reports [17]. Therefore, strict regulation, its enforcement, and regular follow-up can ensure proper implementation of green banking. The outcome of green banking is green businesses, and the spread of green businesses can move the economy to green economy. In a nutshell, the green banking policy and guideline currently known as sustainable banking policy introduced by Bangladesh Bank, the central bank of the country, are presented here.

Green banking policy introduced by Bangladesh central bank involves in a two-split approach: Firstly, green banking emphasizes on greening the internal operations of all banks. It means all the banks need to adopt to suitable ways of utilizing renewable energy, automation, and other procedures to lessen environmental degradation situations from banking activities. Secondly, banks should approve environmentally responsible financing; before making any financing decision, they should maintain environmental risk rating and support and foster growth of "green" initiatives and projects.

In-house green activities include reducing dependency on grid power by shifting to the use of solar power and other renewable energy sources to the maximum feasible extent; following green architecture while constructing bank offices; using energy-saving technologies such as light emitting diodes (LED), compact fluorescent lamp (CFL), etc.; using energy-efficient digital devices; reducing use of paper by adoption of online automated work practices; and conducting energy audit regularly to monitor carbon footprint.

Green activities in financing include carry out environmental risk assessment of projects, financing only those that meet environmental safeguards/sustainability guidelines; provide green loan to promote solar energy, biogas plants, effluent treatment plants, and other energy-saving output practices like Hybrid Hoffman kilns in brick fields; develop green banking products for clients; promote growth of mobile banking and online banking; and include environmental sustainability support initiatives in corporate social responsibility (CSR) programs, inter alia including financial support to climate risk fund.

Bangladesh Bank green policies and guidelines are divided into three phases. In phase-I, individual bank should develop their own green banking policies and display general commitment on the environment through in-house performance. Under phase-II, banks are responsible to create environmental policies and guidelines for different environmental-sensitive sectors. In phase-III, banks are likely to address environment-friendly initiatives and introduce innovative products by considering the whole ecosystem in their decision-making process and publish independent green annual report following standard formatting [16].

Green banking helps create green businesses; according to Bangladesh Bank green policy, there are 11 categories of green business such as renewable energy, energy efficiency, solid waste management, liquid waste management, alternative energy, fire burnt brick, non-fire block brick, recycling and recyclable product, green industry, safety and security of factories, and miscellaneous. Among these

categories, there are 47 product lines, and these are projects financed having environmental treatment plant (ETP), biogas plant, solar home system and solar panel trades, and bio-fertilizer plant and projects financed having tunnel kiln, installation of zigzag kiln, waste and hazard disposal plants, waste paper recycling plant, waste battery recycling plants, financing of LED bulb production, PET bottle recycling plant, safe/clean water supply projects, improved cooking stove (Bondhu Chula), green finance at zero rate of interest, electricity generation from rice husk, rice bran oil production; etc. Both the conventional and Islamic banks are bound to finance these projects and plants as these are classified as green projects [18].

Green businesses adopt principles, policies, and practices that improve the quality of life for their customers, employees, communities, and the planet. Green businesses are socially and environmentally responsible and challenge themselves to bring the goals of social and economic justice, environmental sustainability, as well as community health and development, into all their activities—from production and supply chain management to employee relations and customer service. Green businesses improve their communities.

6. Islamic banking, Maqasid Shariah, and green banking

Principally, the idea of green banking that is originated from sustainable development concept aims to guarantee the highest utilization of natural resources as well as minimum dependency on artificial resources which is made by polluting atmosphere, ultimately impacting mankind as well as the environment. Islamic banking and green banking are not incompatible; in fact they are in line and supplementary to each other. The green banking concept originated from sustainable development concept that cares to nature and focuses on maintaining ecological balance, the Maqasid of Islamic banking is to guarantee divine principle in worldly transactions, and many of the divine principles are related to caring to nature and natural resources; hence, there is a connection between Islamic banking, Maqasid Shariah, and green banking.

6.1 Islamic banking

Islamic banking has significant synergies with the green economy concept and fits in well with the ethical requirements of green projects. As such, environmental protection and sustainability align strongly with the Islamic banking agenda that seeks to enhance the general welfare of society. Protection of the planet and the environment is clearly in conformity with Maqasid Shariah as well as with the goals of sustainable development. In this context, Islamic finance offers promising instruments that can provide solutions to financing climate change [19].

Islamic banking as a faith-based idea has come of age. Finance professionals view it largely as asset-based finance that is free from the elements of unjust and speculative gains. It involves use of a range of tools that create equities, participation, and ownership. Islamic bankers use them or combinations thereof for financing the needs of economic units, such as the government, the corporate, and the household sectors in the economy. Islamic finance has experienced steady growth over the past four decades as more and more countries and markets have come forward to experiment with this faith-based idea. The frenetic pace of growth has, however, raised concerns about a possible mission implication [20].

Theoretically, Islamic finance is resilient to shocks because of its risk sharing, limit on excessive risk taking, and strong link to real activities; however, empirically stability of Islamic banks is so far mixed. Islamic banks face similar risks as

conventional banks do and expose to idiosyncratic risks, necessitating a tailoring of current risk management practices [21]. Islamic economists are particularly concerned that Islamic finance must contribute a lot more, towards addressing development-related issues and societal concerns.

Even though the principles of Islamic finance require the promotion of environmental and social goals, the industry has not contributed to these factors significantly. Moving forward, there is a need to incorporate the environmental social governance (ESG) factors in the broader concept of Shariah compliance and change the orientation of Islamic financial institutions to align them with the values and goals of Shariah [22]. Systematic efforts should also be directed to apply the concept in a more creative movement that would reflect Islamic values in financial dealings and would effectively deliver Islamic objectives in financial sphere. Islamic finance should be directed towards a bigger agenda of creating a new financial system [23].

In the West Asia-North African context, ethics, shared values, morality, and religion are interconnected and largely indistinguishable. Islam is a comprehensive way of life, "concerned with individual rights, practices and rules, but also with issues often associated with the state and governance" [24]. It comprises a wide range of rules, covering both the private and public spheres, ranging from hygiene and dietary norms and prayer and fasting to financial administration practices and civil and criminal law. Not surprisingly, in contrast to the West, in Islam there is no separation between religion and the state [25]. This gap might be filled by a development model that will be distinctly Islamic in nature, one that reflects the values, goals, priorities, and challenges shared by the people who are Muslim of the region [26].

6.2 Maqasid Shariah

Shariah is grounded on Islamic values and beliefs which include every section of life such as social, personal, economic, political, as well as intellectual life. Shariah refers to Islamic law that basically originates from the Shariah sources (Quran). The ultimate importance of the objectives and philosophies of Shariah is in line with the basic beliefs, values, as well as objectives of Islam [27]. Islam is a thorough as well as a comprehensive code of life, encompassing every aspect of individual or social life, life here or hereafter. So, Shariah imitates Islam's entire outlook. According to the philosophy of Islam, life is joined together, and it never separates between, for example, political or economic aspects, spiritual and moral aspects, and vice versa. Therefore, every facet of life, by the term Maslahah (public interest) which is a contemporary concept, is articulated or led by the Shariah to an academic comprehension of science, economics, technology, the environment, and politics. Likewise, misinterpretation of this primary concept might disintegrate progresses in all these areas. For apprehending Shariah, the purposes of Shariah need to be grasped correctly that permits liveliness, resistance, as well as originality in social policy. Maqasid Shariah can be explained as "The Ultimate Objectives of Shariah or Islam which consist of Protection of Religion, Protection of Life, Protection of Offspring, Protection of Intellect and Protection of Wealth or Property" [28].

In accordance with many scholars, Maqasid Shariah is serving human's well-being as well as protecting them from mischief. Nevertheless, various scholars explained Maqasid Shariah in various manners. According to Imam al-Ghazali, the objectives of Shariah can be in two categories, the deeni (related to religion) and the dunyawi (related to this material world). The dunyawi purposes are further grouped into four types which are all entirely meant to serve the single deeni purpose. The four dunyawi purposes are protection of nafs (life), nasl (lineage), aql (intellect), and mal (wealth). There are three broad divisions of Maqasid: the

daruriyyat (essentials), the hajiyyat (supporting), and the tahseeniyyath (embellishments). The daruriyyat are those which are necessary, with no exception, for the benefits of deeni and dunyawi; thus according to al-Shatibi, the five essentials mentioned by al-Ghazali fall under daruriyyat [29].

There are four chief characteristics of Maqasid Shariah. First, Maqasid Shariah is the constituent of law and aims to guarantee the well-being of every human being, as well as protect them from harm. Second, Maqasid Shariah caters to the interests as well as needs of every human being since they are extensive. Third, Maqasid Shariah is comprehensive or complete, incorporating every human action regardless of whether they are related to the answerabilities to God (ibadah) or to the responsibilities of other human beings (muamalah). Fourth, Maqasid Shariah is decisive, as explained or accepted by numerous scholars from various item, texts, or sources of validations [30].

In accordance with Ibn Ashur and Kamil, Maqasid Shariah is to be perceived in its totality, not partly, as Islam includes both worldly life and life hereafter. The midpoint of Maqasid Shariah is Maslahah or public interest. Since our modern life is filled with different financial activities, finance plays a great role in our everyday lives; therefore, it is very simple as well as lucid to affirm that the society's harmonization is limited to regulating on financial matters only. Islam acknowledges this, categorizing the protection as well as safeguarding of wealth in the classification of essential matters (dharuriyyat), symbolizing finance's gratitude through the Maqasid Shariah is a treasured facet of life. As outlined in Maqasid, even Islamic rulings based on the five provisions acknowledge both the requirements of current and upcoming generations. So, the safety and well-being of upcoming generation is the Islamic values' foundation. Human safety as well as life on earth can be disturbed by climate change, probable risk, as well as extortions; therefore, it is commanded to demonstrate new rules, ethics, as well as public policies that enhance innovation (ijtihad) and leadership for saving people as well as nature. It is also important to distribute public goods in an unbiased manner for achieving public interest by fair trade as well as by maintaining Hima (protected areas) schemes as adapted in Islamic regime [31].

6.2.1 Green banking and Maqasid Shariah

The Shariah's greatest intentions rests within the concepts of thoughtfulness as well as administration, which aim to eliminate partiality, initiate fairness, as well as abate hardship through encouraging support as well as joint provision within the family and society in general. Shariah's objective as well as holistic value in accordance with Islamic scholars has commonly known to be Maslahah and Maqasid; both notions are entrenched by comprehending the public interest. Scholars make use of Maslahah and Maqasid nearly conversely as both the concepts often indicate the same meaning [30].

Muhammad bin Ibrahim, ex-governor of the Central Bank of Malaysia, shared his opinion by mentioning to support green technology towards a diverse as well as spirited financing ecosystem for green undertakings Islamic finance has great potential. Additionally, he articulated citing from the holy Quran (surah Al-Fajr: 11–14) that it is human's liability to maintain the atmosphere as well as natural possessions that Allah has made on this earth, counting the various forms of life. Every Muslim will be rewarded by Allah (swt) for contributing towards enlightening greenery. A hadith in Musnad Ahmad by Prophet Muhammad (pbuh), it is cited that the Almighty will recompense those who take care of the neighboring environment. Promoting preservation of natural resources and respecting every living being are the fundamental connection between the environment and mankind. In Surah

Al-Rum: 41, Allah (swt) the Almighty cautions human beings by announcing that unembellished destruction of the sea and land would come upon those who abuse the environment; therefore, not being able to treat the environment appropriately would be harmful. Hence, for ensuring ecological sustainability, it is crucial for everyone to count Islamic banks to resolutely play their roles. The governor debates that achieving environmentally friendly sustainability is the liability of everybody and the banking industry must do its part [32].

Islamic teaching is always compatible with the benefit of ummah. The concept of sustainable development, which is a greatly discussed matter in modern time, is looking for the way out to guarantee development in a sustained way which is only likely to be achieved by adhering to the divine law of ethics. To conclude, Islamic banks are focusing on achieving Maqasid Shariah so does the green banking. By analyzing green banking policy and guidelines of Bangladesh, it is ascertained that green banking aims to also protect life, family, and property [33, 34]. Moreover, green business activities also resemble to attaining Maqasid Shariah [35].

6.2.2 SDGs and Maqasid Shariah

The idea of a sustainable development model that is connected to religious values stands somewhat in opposition to the current model, which reflects a separation of religious ideology and public policy making. The sustainable development discourse has, however, acknowledged that the three pillars of sustainable development need to be completed by an ethical dimension at the level of popular values. The World Summit on Sustainable Development in Johannesburg (2002) added a short paragraph 6 to its Programme of Action: "We acknowledge the importance of ethics for sustainable development and, therefore, emphasize the need to consider ethics in the implementation of Agenda 21" [36]. Therefore, there is convergence of SDGs in general and the intention of climate management with the Maqasid Shariah. Maqasid Shariah should drive Islamic banking and finance is self-evident. Islamic economists invoke the framework of Maqasid Shariah to chart a new trajectory for Islamic finance. While many classical and contemporary Islamic scholars have discussed and elaborated upon the Maqasid Shariah framework, the Islamic Research and Training Institute (IRTI) has undertaken pioneering research that underlines the fact that many SDGs clearly align with Maqasid Shariah. The Maqasid Shariah-driven Islamic finance, therefore, would work towards achieving the SDGs. There is a growing realization that Islamic financial institutions should align their goals with the SDGs so that they would be able to protect and promote Maqasid Shariah. The SDGs are 17 in numbers. The next section will try to find the convergence SDGs and the MS framework prescribed by Imam al-Ghazali.

The UN Sustainable Development Summit was held in New York from September 25 to 27, 2015, for the adoption of an ambitious, bold, and universal sustainable development agenda that will end poverty and promote prosperity by 2030 while addressing the environment. The summit outcome document, entitled "Transforming our World: The 2030 Agenda for Sustainable Development," was agreed on by the 193 member states of the United Nations and includes 17 sustainable development goals and 169 targets. The 17 goals are No. 1 no poverty; No. 2 zero hunger; No. 3 good health and well-being; No. 4 quality education; No. 5 gender equality; No. 6 clean water and sanitation; No. 7 affordable and clean energy; No. 8 decent work and economic growth; No. 9 industry innovation and infrastructure; No. 10 reduced inequality; No. 11 sustainable cities and communities; No. 12 responsible consumption and production; No. 13 climate action; No. 14 life below water; No. 15 life on land; No. 16 peace, justice, and strong institutions; and No. 17 partnerships for the goals.

To appreciate the SDGs understanding, five Ps are vital; these are people, planet, prosperity, peace, and partnership. These five Ps are considered as elements of SDGs, and among them three are the pillars of SD—people, planet, and prosperity. The 2030 Agenda is indivisible; therefore, countries should avoid cherry picking goals and carefully assess the trade-offs across goals/targets. SDGs are very comprehensive, designed to achieve universal goals, agreed by world community in general, and have no direct conflicts with Islamic percepts. Maqasid Shariah is also very systematic and attempts to address human welfare and well-being in a comprehensive and organized way. The following paragraph is trying to map SDGs into Maqasid Shariah.

One of the first pillars of Imam al-Ghazali's Maqasid Shariah framework is protection of faith, and SDG goals 1, 2, 3, 6, and 10 focus on reducing vulnerability which in turn is believed to help strengthen their faith. The second pillar is protection of life (nafs), and goals 2, 3, 6, 8, and 11 in ensure healthy lives and promoting well-being for sustainable development. The third pillar is protection of progeny (nasl) and Zakat (one of the pillars of faith in Islam) that helps people escape the poverty trap, promoting peace and protecting the environment such as goals 3, 5, 7, 11, 12, 13, 14, 15, and 16, which is consistent with human progeny. The fourth pillar is protection of intellect (aqal), and it is in alignment with SDG 1, 2, and 9 which facilitates access to healthy nourishment and quality education and makes children more productive in the future. The last pillar is protection of wealth (mal), and Zakat has inbuilt wealth transfer SDG 10 which can help generate economic activity, SDG 8, and a social safety net, SDGs 1 and 3 [37].

7. Conclusion

This chapter is divided into several sections to describe essential ideas related to green banking. The first section is the introduction, and the second section covers the definition of green banking—banking activities that are concerned with the environment and provide financing to green business which is involved in environmental restoration. The third section represents the importance of green banking for successful implementation of the sustainable development goals. The fourth section discusses about the impact that green banking must create green business. The fifth section focuses on the relevance of Shariah in Islamic banking, SDGs, and green financing. Green banking being a new trend needs more attention from policymakers and regulators; specifically, the central banks can play a vital role to enhance green banking movement and to set up more and more green business. Beside banks, nonbanks financial institutions also should involve more in green financing to restore environmental balance and to preserve a livable condition for future generation. Bangladesh is a very good example of introducing and enforcing green banking policy and guidelines among the Southeast Asian countries. In fact, the reality of the country is that it is situated in an extremely risky zone based on a report published by a British consultancy firm [38]. Moreover, in terms of pollution, the country scored one of the top positions and vulnerable to climate change risk too [39]. Therefore, the country is serious about green banking and can be a very good example for others. To face the reality, when leaders are committed to implement SDGs by 2030, the involvement of financial sector in green banking is an essential condition to accelerate the process of implementation. Indeed, green financing would help attain few SDGs such as goal Nos. 7, 9, 11, 12, and 13. On the other hand, the features of green banking and objectives are very close to Maqasid Shariah. In general, conservation, reduce dependency on paper, increase online banking or financing, and environmental risk rating before granting financing to

borrower are few features of green banking which do not contradict with Maqasid Shariah but rather meet the objectives of Shariah. Therefore, Islamic bank along with conventional banks have huge opportunities to focus on green financing and to attain the SDGs.

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