

Promoting green economic development through the adoption of sustainable finance principles in Algeria- A review of the Islamic Development Bank's contributions -

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Received date : 14/08/2025, Accepted date : 28/10/2025,Publication date:05/12/2025

Abstract :

This article aims to highlight the contributions of the Islamic Development Bank, as an international financial institution, to address global environmental and economic challenges. It also highlights its support for the development of vital sectors such as industry, mining, agriculture, and urban transportation. In light of accelerating climate change and the depletion of natural resources, it has become imperative to direct funding towards projects that have a positive impact on the environment and society. The article focuses specifically on the group's diverse financing efforts in the areas of renewable energy, resource management, and emissions reduction, by adopting environmental, social, and governance (ESG) standards within its policies.

Keywords: Islamic Development Bank Group, Development, Sustainable Finance, Sustainable Development.

Jel Classification Codes Q01,Q20,Q42

Introduction:

The world today faces increasing environmental and economic challenges resulting from climate change, the depletion of natural resources, and the ever-increasing demand for energy. Amid these challenges, the concept of sustainable as a strategic choice to achieve sustainable development, by striking a balance between economic growth and environmental conservation. International banks a pivotal role in this

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transformation, particularly through major initiatives such as the establishment of a services unit. The treasury, which launched green bonds as a financing tool to support climate projects. Today, the World Bank continues to issue sustainable development bonds to finance projects aimed at combating climate change, directing capital toward investments with positive environmental and social impact.

In this context, Algerian banks are called upon to move beyond the goal of financial profitability and adopt a more comprehensive perspective that takes into account the environmental and social impact of their financing decisions. Sustainable financing is one of the most important mechanisms for achieving this transformation, by integrating environmental, social, and governance (ESG) criteria. (ESG) is included in the approved investment and credit policies.

Based on these data, the importance of studying the contribution of Banks In support of the green economy, especially in light of global trends. The accelerating towards a low-carbon, more just and sustainable economy accordingly, the problem of this research revolves around the following main question:

- What is the extent of supporting the green economy through adopting financing sustainable Islamic principles?

Through the main problem, we can raise the following sub-questions:

- ☐ How aware are banks of the concept of sustainable finance and its requirements? Green economy?
- ☐ What types of financial tools and products do banks offer to support green projects?

Importance of the study:

The importance of the study lies in its attempt to clarify the role of International banks in support of the transition towards a green economy through financing mechanisms. The foundation M. Highlighting the sustainable financing tools adopted by financial institutions in financing projects with an environmental dimension and evaluation level of bank involvement In sustainability policies, especially in the local context.

Research objectives:

The aim of the research is to highlight the role of banks in support of the transition towards a green economy by adopting sustainable finance practices based on International guidelines like the United Nations Principles of Financing The official to(UNEP FI)The World Bank's green financing agreements encourage banking institutions to restructure their financing policies in line with global environmental standards. Integrating environmental, social and governance considerations (ESG) in decision-making processes.

Study methodology:

This research is based on a descriptive analytical methodology that aims to study, by referring to various literature and applications related to the problem under study, which is consistent with its nature by reviewing the information and data available about the green economy and sustainable financing practices. The problematic aspect of this topic was also addressed by covering the following topics:

First axis Conceptual Framework for the Green Economy

The second axis: The effort Islamic Bank of Development Investment to Promote Islamic Finance Industry

The third axis: Algeria's contributions to more sustainable growth and support for green social and economic development.

1. Conceptual Framework for the Green Economy

A green economy is a development model that aims to reduce environmental damage while delivering multiple benefits to society. Adopting this model requires fundamental political, economic, and investment changes. A green economy seeks to reduce reliance on natural resources and energy-intensive economic growth, with a focus on achieving sustainable development. (unep, 2024)

The green economy also has the potential to create new job opportunities and stimulate innovation and clean technology, contributing to improving the quality of life and ensuring the well-being of current and future generations.

Therefore, the transition to a green economy requires careful planning and joint cooperation between various stakeholders to ensure its implementation in accordance with national priorities and local conditions, while respecting national sovereignty over natural resources and avoiding its use as a tool to impose trade restrictions or financial conditions.

1.1. General concept of green economy:

The green economy is defined, according to the United Nations Environment Programme: (Review, 2025)...as an economic model that aims to enhance human well-being and achieve social justice, while significantly reducing environmental risks and natural resource scarcity. The simplest manifestations of a green economy include reducing carbon emissions, improving resource efficiency, and ensuring inclusive development for all age groups without exclusion.

Various organizations have adopted convergent view, according to the OCDE approach, the green economy is a policy that allows for green growth, And this Policy: "Includes supporting economic growth by developing mechanisms to direct investments and innovations towards economic sectors that create value and at the same time, it preserves the ability of natural capital to provide resources. and services necessary for economic growth, this is by creating new economic opportunities"(OCDE, 2011)

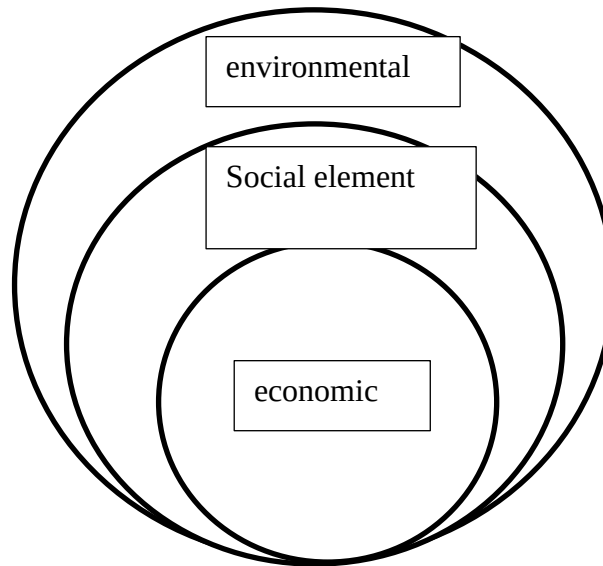
The green economy is based on three basic elements:

- environmental element Optimize the use of energy and resources, reduce pollution, and protect biodiversity.
- social element: Creating decent jobs, combating poverty, and promoting social justice.
- economic element: Encouraging innovation, supporting sustainable economic growth, and achieving sustainable development

1.2. Characteristics of the green economy

Characteristics of positivity for green economy, reducing carbon emissions, reducing pollution levels, improving energy efficiency, and promoting social inclusion. The transition to a green economy effectively contributes to reducing the environmental deficit, enhancing well-being and social justice, mitigating environmental risks, and protecting biodiversity and supporting the sustainability of ecosystems. This is demonstrated by the following figure:

Figure 1 Green economy model



Source: Green Economy | UNEP - UN Environment Programme

That international discussions at the global level on the green economy have not yet resulted in a unified and agreed-upon definition, as approaches to greening economy It can take many forms and provide diverse opportunities for different countries. (Ciprian Petru, Justin Emanuel, & Alexandru, 2016) However, some common characteristics can be identified that characterize this economy, which include:

- Reshaping the way natural resources are used, promoting waste recycling, and encouraging environmental innovation,
- Promoting sustainable development by achieving a balance between economic growth and environmental protection.
- Reducing carbon emissions, improving resource efficiency, and achieving social inclusion, while ensuring that future generations are not exposed to serious environmental risks or ecological scarcity.
- Stimulating investments in green sectors, developing supportive policies, and building the governmental and institutional capacities necessary to implement this transformation.

1.3. Green economy goals

United Nations Environment Programme(UNEP) ModelA sustainable economy that aims to enhance human well-being and achieve social justice, while reducing environmental risks and ecological degradation. (Nabi and Abdul Aziz, 2022) This model focuses on several main objectives, including:

1.3.1. Economic goals:

Promoting a circular economy that aims to reduce resource consumption and reuse materials to reduce waste and pollution, with the support of governments and the

private sector. Through Adopting sustainable environmental practices and approach Development that preserves the environment and ensures the sustainability of natural resources and motivation Economic growth through changing patterns of production and consumption towards more sustainable practices, with the aim of mitigating the severity of current global crises. (Safiyya, 2024)

1.3.2. Environmental goals:

Protect ecosystems and biodiversity by restoring and restoring ecosystems, and supporting local communities that depend on nature for survival, in order to maintain vital environmental services. The environment is one of the basic pillars that support economic activity, and there is an interactive relationship between them based on influence and being influenced. (World Cup, 2025)In return for Providing funding and technical support for environmental and sustainable development projects, including clean energy projects such as solar loans, has helped reduce energy costs and attract consumers, contributing to the creation of new economic opportunities..

1.3.3. Social goals:

Social objectives within the green economy framework are manifested in a set of goals aimed at achieving social justice and improving the quality of life for communities. These goals can be summarized as follows:

- Reducing poverty and promoting social welfare: The green economy aims to create sustainable job opportunities that contribute to reducing unemployment and poverty rates, through investment in environmentally friendly projects such as renewable energy and sustainable agriculture.
- Achieving social justice and inclusiveness: It seeks to ensure that all social groups benefit from the transition to a green economy, with a focus on vulnerable and marginalized groups, to ensure a fair distribution of economic gains.
- Improving public health: By reducing environmental pollution and carbon emissions, the green economy contributes to reducing diseases associated with environmental degradation, such as respiratory diseases.
- Promoting environmental education and community awareness: Focuses on spreading knowledge about sustainable practices and educating the community about the importance of environmental protection as part of sustainable development.
- Supporting intergenerational equality: Ensures the conservation of natural resources for future generations by using sustainable resources and protecting them from depletion.

These goals fall within a broader framework that includes supporting the implementation of the Sustainable Development Goals adopted by the United Nations, which seek to end poverty, protect the planet, and ensure prosperity and peace for all by 2030.M(worldbank, 2025).2030.

2. The effort of Islamic Development Bank Investment to Promote Islamic Finance Industry

2.1. The concept of sustainable finance

sustainable finance refers to financial or banking services that take environmental elements into account social governance in the bank's decisions when granting credit or his decisions investment, in order to achieve sustainable benefit for all clients and the parties concerned and society as a whole.

be sustainable finance consists mainly of three basic elements known as “environmental, social and governance factors.”(esg), which are as follows:

- o environmental element environmental factors such as climate change, gas and carbon emissions, air and water pollution, and water scarcity and warming global.
- o social influencing factors, such as providing job opportunities and improving working conditions, including health and lamond workers' rights and impact on the communities surrounding the projects concerned, etc....
- o governance element: factors related to how the organization is managed, such as: independence council management composition, shareholders’ rights and transparency (Bank, 2021).

in short, the elements of sustainable finance form the framework upon which sustainable finance is built to ensure sustainable benefits for society and the economy. (Hassan, 2025)

2.2. The importance of sustainable financing At the banking sector level (GreenBond, 2022)

The banking sector is a key pillar of the economy. Therefore, a green economy, with its attendant environmental and social challenges, cannot be achieved without banks playing an active role. This role is to direct financing toward more sustainable economic activities, thus promoting balanced environmental and social development that The importance of sustainable financing in banks lies in several main axes that positively impact financial, economic and social performance, including:

- Supporting financial and banking stability by integrating environmental, social, and governance factors, thus reducing risks and maintaining the quality of the bank's portfolio.; (MIFMA, 2021)
 - Enhancing investment opportunities and attracting foreign investors interested in sustainable financing, which contributes to the injection of foreign currency and the development of the national economy.;
 - Following sustainable financing concepts reduces the chances of default and thus maintains the quality of the bank's portfolio.;
 - Contributing to sustainable development by financing environmentally friendly projects such as renewable energy and recycling, and social projects that raise the standard of living and reduce poverty.;
 - Innovating new and diverse financial products and services that take sustainability into account, such as green loans and bonds, which opens new markets and increases profits.;
 - Supporting financial inclusion by providing financial services to different groups, including the poor and disadvantaged.;
 - Reducing the environmental impact of banking operations by adopting digital solutions and environmental and social risk measurement technologies.
- (Hassan, Sustainable Finance and Responsible Banking, 2024)

2.2.1. The importance of sustainable financing on Coffee level and Central Bank

Sustainable financing leads to support Green economy And the Egyptians Ashelf Studies have shown that integrating environmental elements and social Governance rules have a positive impact on companies’ performance and reduce risk ratios, and

thus providing financing to these companies is considered low risk, which is reflected in Positively on stability financial system. (Bank, 2021).

By enhancing opportunities Investment Injecting foreign currency By attracting a new segment of investors targeting sustainable finance, along with foreign direct investment in the banking sector and the National economy.

The possibility of establishing green banks according to provisions Central Bank and Banking System Law as a new type of banks will be licensed, namely specialized banks, as green banks help secure low-cost capital financing for clean and renewable energy projects and projects that generally aim to improve environmental quality at reasonable prices and suitability terms.

The Central Bank supports the state's efforts to achieve sustainable development goals Which sustainable financing contributes directly to achieving.. (Bank, 2021)

2.2.2. Innovative Sustainable Finance Tools To support the green economy

Innovative sustainable finance tools include a range of financial mechanisms aimed at supporting projects And exploit the best to growth potential. However, if any, sustainable funding In achieving Green goals economy, and Provide clear guidance on the scope of that contribution or ways to accurately measure it. The most prominent of these tools are:

□ Green loans: Development Policy Financing Loans (DPLs) are among the World Bank's flagship financing instruments. These loans are provided to support governments' general budgets without being allocated to specific programs, with the aim of promoting policy and institutional reforms. This aims to help beneficiary countries achieve sustainable growth and reduce poverty by supporting national reform programs..

In this context, the World Bank is playing a pivotal role in bridging the financing gap, supporting the government in establishing an innovative trust fund to channel \$650 million in financing towards geothermal energy exploration projects. This financing consists of \$150 million from the government, \$175 million in concessional climate financing, and \$325 million in loans from the World Bank. By supporting the early stages of geothermal energy development, this financing opens the door to attracting potential private sector investments, enhancing opportunities for sustainable clean energy growth. (Summary, 2017)

□ green bonds: They are financial instruments used to finance environmentally friendly and sustainable projects, such as renewable energy projects and combating climate change. They attract investors interested in responsible and sustainable investing. Also known as green are a debt instrument specifically designed to raise funds to support green projects that have a positive impact on the environment and combat climate change. These bonds are similar to traditional bonds, but differ in their purpose, impact, and the requirement to use them for environmental projects.. The Green bonds offer many benefits to three main parties directly related to renewable energy investment: the government, investors, and issuers. The benefits can be summarized in the following points::

□ For green bond issuers: The process of offering them to governments and issuers helps them reach a larger and more diverse base of investors who care about environmental and social issues. As this can increase demand and liquidity for the bond, thus reducing the issuer's cost of capital..

□ For investors: Green bonds help investors implement and support green projects while reducing fossil fuel projects and thus avoiding the risks and penalties of these projects., and Benefit from tax incentives on green projects to increase investment and generate financial returns More, and Improve the company's reputation and increase the company's visibility as an environmentally friendly company.

□ Sustainable investment funds: An investment fund is a mutual investment portfolio created by an investment institution, where shareholders' money is pooled to invest in a variety of assets aligned with the fund's investment objective. Funds are raised by selling fund units to the public, much like a company sells its shares. After raising money from the sale of these units, the fund uses the proceeds to purchase various investments such as stocks, bonds, and deposits. In exchange for the money owners pay when purchasing units, they receive a stake in the fund, making them implicit shareholders in the assets the fund owns. In most investment funds, owners can sell their units at any time, and the fund's units are priced daily based on the performance of the assets the fund owns. (Mabrouk, 2006)

2.2.3. Role Competent international authorities And regulatory bodies in strengthening the Green economy

The Basel Committee on Banking Supervision recently announced the formation of a working group specializing in financial risks associated with climate change, with the aim of developing regulatory frameworks to effectively address these risks. International institutions also stressed the need to adopt new strategies and partnerships that enhance the ability to deal with environmental and social challenges efficiently, to ensure the sustainability of the financial system and support sustainable development. (Marwa, 2021), including:

- International Finance Corporation the International Finance Corporation (IFC) is a member of the World Bank Group and the largest global development institution focused exclusively on supporting and developing the private sector in developing countries. Headquartered in Washington, D.C., it uses its financial resources and technical expertise to help these countries foster economic growth by encouraging private investment and developing local markets. (Administration, 2021)
- European Organization for Sustainable Development The European Organization for Sustainable Development (EOSD) is an organization based in Karlsruhe, Germany, that works to support and promote sustainable development in Europe by implementing the European Union's Sustainable Development Strategy. This strategy aims to improve the quality of life for current and future generations by creating sustainable societies that manage resources efficiently and harness environmental, social, and economic innovation to ensure prosperity, environmental protection, and social cohesion. It includes 35 countries represented by financial sector regulatory bodies, banking unions, and entities concerned with sustainable development and the environment.
- Network Sustainability Banking SBN (Sustainable Network Banking).It is a network emanating from the International Finance Corporation (IFC) and includes 38 countries represented by their financial sector regulatory bodies and banking associations. In the markets an emerging organization committed to developing sustainable finance in line with international practices, and is the most important

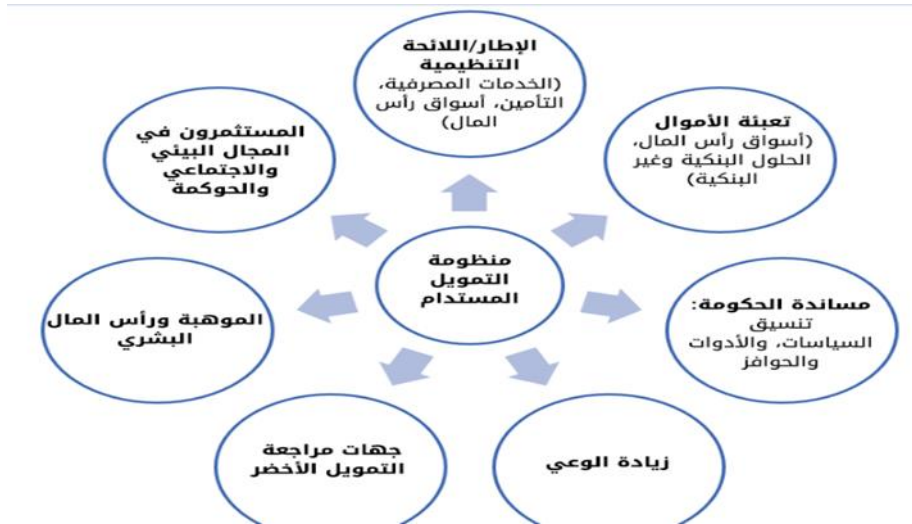
international body concerned with preparing policies related to sustainable finance, based in Washington, USA.

- Network of Greening Financial Systems (NGFS) The network includes 42 countries represented by their financial sector regulatory bodies and banking associations. During it Exchange of experiences and discussion of international best practices applied in the field of environmental protection and combating climate change. The French Central Bank in Paris is conducting by works Network Coordination.
- Alliance for Financial Inclusion AFI (Inclusion Financial for Alliance). It is the leading global organization in the field of supporting financial inclusion, and is headquartered in the city of Kuala Lumpur-Malaysia, it brings together financial inclusion policymakers from more than 95 countries with the aim of exchanging expertise and international best practices in promoting financial inclusion. In 2019, the Alliance also established a specialized working group on financing. Green Comprehensive and sustainable (Group Working Finance Green Inclusive).
- Center for Financial Inclusion (CFI) was founded as an independent research center focused on inclusive finance to enhance systems Inclusive finance for low-income people worldwide. (Star, 2021)

2.2.4. Sustainable Finance System in Malaysia (from Green projects to Green economies).

Since the issuance of the first green sukuk in 2017, Malaysia's Islamic finance ecosystem has witnessed remarkable development, positioning the country as a leader in green finance. This growth has been achieved through a set of building blocks that have contributed to building a sustainable and advanced ecosystem that transcends the role of key players and serves as a model for other developing countries seeking to develop sustainable investments to mitigate the effects of climate change. From The building blocks that have contributed to the growth of the sustainable Islamic finance ecosystem in Malaysia include:

Figure 2: Sustainable Finance System In Malaysia



<https://blogs.worldbank.org/ar/voices/how-malaysia-created-conducive-ecosystem-islamic-sustainable-finance>Source:

□ Establish clear regulatory frameworks and guidelines: Malaysia has developed a comprehensive set of guidelines, such as the Sukuk Framework for Sustainable and Responsible Investment (SRI) and the Sustainable and Responsible Investment Funds (SRIFs) issued by the Securities Commission Malaysia, providing a regulatory framework that facilitates financing environmentally and socially sustainable projects. Other regulators, such as the Malaysian Stock Exchange and Sustainability Reporting Requirements, as well as guidance documents from the Central Bank of Malaysia, have also been issued to promote Shariah-compliant Islamic finance.

□ Participation of major institutional investors: The participation of six major institutional investors, such as Malaysia's sovereign wealth fund, the pension fund, and the Employees' Social Security Fund, significantly strengthened the ecosystem. These investors have signed the United Nations Principles for Responsible Investment, affirming their commitment to a sustainable financial system and helping to steer investments toward environmental, social, and governance (ESG) issues.

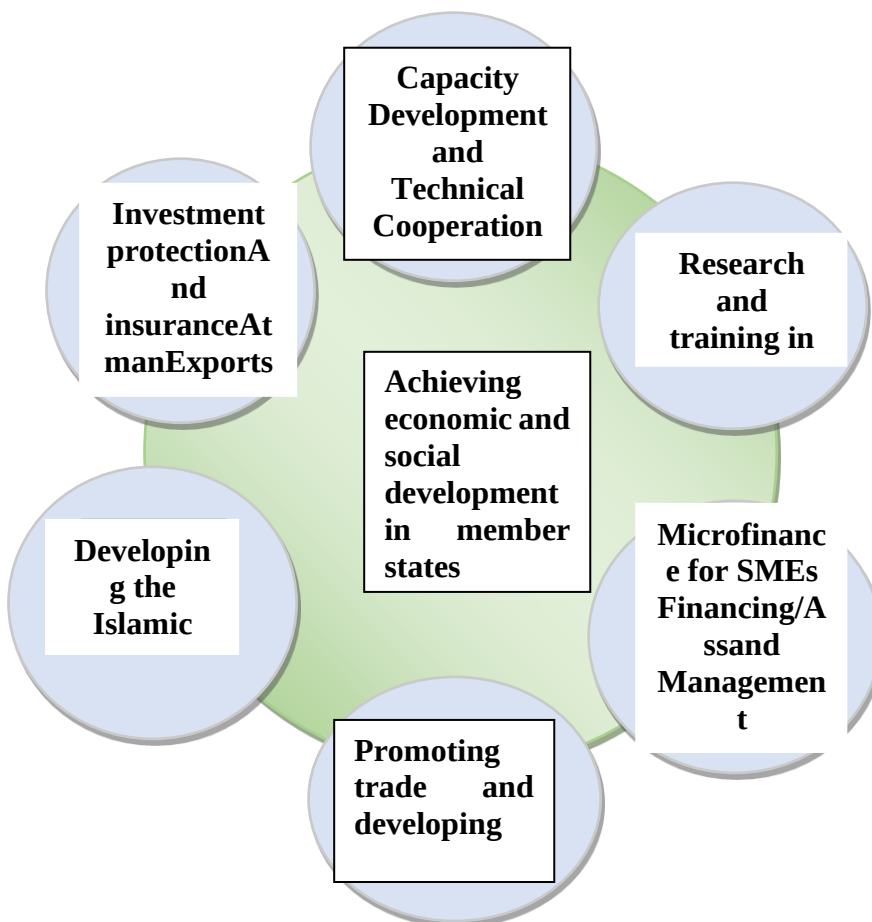
□ Developing a skilled and qualified workforce in Islamic finance: The government has supported the growth of sustainable finance by offering incentives such as grants and tax breaks for the issuance of sustainable and responsible investment sukuk, as well as incentives for green industries in the energy, transportation, construction, and waste management sectors. This has helped attract

investment in green technology and strengthen the role of Islamic finance in achieving greenhouse gas emission reduction goals. (Al-Aziz, Ahmed Jafez, and Wei, 2019)

2.2.5. Comprehensive Framework for Criticizing Sustainable Social and Economic Development Goals

The bank aims To improve the quality of life for individuals by eradicating poverty and hunger, promoting health and education, reducing gender disparities and inequalities, building sustainable infrastructure, and making cities more environmentally friendly. It also seeks to combat climate change, protect oceans, forests, and biodiversity, and support peace and justice and promote inclusive and sustainable economic growth. This is shown by The following figure:

Figure 3: Project financing according to Islamic Sharia



Source: Islamic Development Bank (IsDB) <https://www.isdb.org/ar>

The Islamic Development Bank is fully committed to supporting development goals. Social and sustainable economy Taking into account the differences in development priorities among member states, the group begins its interventions with a thorough understanding of each country's needs and adapts its programs to suit those needs. It also enhances the implementation of this ambitious program by adopting a participatory approach based on partnerships with bilateral and multilateral development finance institutions, as well as the private sector and civil society.

2.2.6. Sustainable Financing Islamic mechanisms At the banking sector level

The roots of Islamic finance go back to the early days of Islam, when the Holy Quran and the Sunnah laid the foundations for financial transactions upon which Muslims relied in their dealings with one another and with others. However, the Islamic finance industry in its modern sense—which encompasses systems, laws, regulations, institutions, environment, and financial instruments—has only emerged in recent decades. This industry has succeeded in providing Sharia-compliant alternatives to many traditional financial institutions and instruments, offering them no less efficient than their counterparts. Islamic finance has also gained widespread momentum over the past two decades, finding acceptance not only in Islamic countries but also in Western countries and international financial and monetary institutions that have adopted this financial system. (Kanduz, 2022)

He does For sustainable Islamic finance Based on a set of basic principles derived from Islamic Sharia, which distinguish this system from conventional financing. The most important of these principles are::

- Prohibition of usury (interest)Islamic finance prohibits the imposition of fixed interest on funds, and requires that the return be linked to the actual risks of the project or investment.
- Prohibition of gharar (excessive uncertainty) and maysir (gambling)This aims to prevent financial transactions that involve uncalculated risks or illegal speculation.
- The principle of sharing risks and profits: Where investors and financiers share risks and profits, linking finance to real economic activity.(FI, 2025)
- Relying on legitimate financial contracts Such as participation, mudaraba, leasing, and Islamic bonds, which represent Sharia-compliant financing instruments.
- Focus on productive and service financing So that Islamic finance serves beneficial social and economic purposes and promotes sustainable development.

These are the principles. It aims to build an ethical and stable financial system that balances profitability with protecting society from illicit financial risks, and enhances transparency and fairness in financial transactions..(IFAC, 2014)

3. Algeria's contributions to more sustainable growth and support for social and economic development:

It outlines a strategic plan aimed at supporting and enhancing social and economic development in Algeria, by mobilizing financial resources (including Islamic finance and risk reduction), encouraging innovation and technology, ensuring access to clean energy, and enhancing climate change adaptation capacity in vital sectors such as

food, transportation and water. How much? The plan focuses on international cooperation and skills development in the clean energy sector..

3.1. The legal and regulatory framework for Islamic banking as a mechanism for developing finance to Islamic.

The primary objective of the Islamic Development Bank Institute In Algeria, the goal is to promote a strong and sustainable Islamic financial system. The institute also seeks to develop innovative knowledge-based solutions that contribute to supporting sustainable economic development. The Islamic Finance Development Program in Algeria is a comprehensive initiative aimed at promoting Islamic financial services. Its activities are implemented through grants covering various fields, from Islamic banking and Islamic social finance to capital markets and the Takaful sector.

3.1.1. The Algerian banking sector is undergoing transformation.:

The Islamic Finance Sector Development Program is a program that aims to develop the sector. Islamic financial services, and implements its activities through grants covering various fields, starting from Islamic banking and Islamic social finance, through capital markets, and reaching the Takaful sector. In this regard, the Islamic Development Bank and the Central Bank of Algeria signed a technical assistance agreement in 2021 worth \$280,000.USD To develop the legal and regulatory framework for Islamic banking in Algeria.

The main objective is to establish technical assistance within a comprehensive framework to prepare the necessary tools for the Central Bank and the regulatory authority to supervise the banking system. In addition, technical assistance worth \$272,000 is being implemented. USD Signed in 2022 for the Ministry of Finance to assist in issuing sovereign sukuk, Algeria seeks to tap into the Islamic capital market by issuing sukuk. This technical assistance aims to modernize the legal framework to accommodate sukuk structures and guide the country through the issuance process.

3.2. Algerian initiatives in support sustainable Islamic Financing

Algeria is adopting several important initiatives to support sustainable Islamic Financing, as part of its efforts to achieve balanced economic, social and environmental development., where Algeria hosted the annual meetings of the Islamic Development Bank.(IBD) in 2025, an event bringing together more than 2,000 participants from 57 countries. This event aims to strengthen Algeria's role in Islamic finance chains and provide innovative, Sharia-compliant financial instruments. The bank plans to finance \$3 billion in infrastructure projects in Algeria over three years, promoting sustainable financing in vital sectors such as transportation and railways..

- Supporting youth projects and financing small businesses: The state provides loans of up to 10 million Algerian dinars to support young people in launching their projects, which enhances...ZSustainable entrepreneurship and encourages the creation of new job opportunities within the green economy.
- Promoting green finance and renewable energy: Algeria is Working for developing financing mechanisms for environmental and renewable energy projects, such as green loans and Islamic bonds, to encourage investments in clean energy and reduce dependence on fossil fuels..

- Regional and international initiatives to support sustainable financing: Algeria participates in regional financing initiatives such as the Urban Projects Finance Initiative, which supports sustainable urban projects in the Mediterranean region, and benefits from cooperation with international institutions to enhance financing capacities.
- A legislative and policy framework supporting sustainable finance: Algeria's national strategies include enhancing governance and transparency in the management of financial resources, stimulating public-private partnerships, and adopting policies that encourage sustainable investment in line with the Sustainable Development Goals.
- Commitment to climate finance and a just energy transition: As part of its commitment to international agreements, Algeria is working to ensure a just transition to a green economy that includes retraining workers and developing new sectors, with a focus on providing the necessary financing to address the challenges of climate change.

Conclusion

These initiatives embody Algeria's orientation towards building green economy Depends on funding Sustainable, balanced Islamic Supports environmental and social development, and enhances the country's ability to efficiently face future challenges..

Form of transformation towards the green economy in Algeria offers a multi-dimensional strategic opportunity that allows for the restructuring of the national economy and the strengthening of the development process. Social and economic, By striking an effective balance between the requirements of economic growth and environmental conservation, the Islamic Development Bank plays a pivotal role in meeting the development needs of member states, including Algeria, which is now required to adopt an Islamic financing approach that takes into account environmental and social dimensions within its economic policies.

In the context of this trend, Algeria seeks to contribute to changing the traditional economic model by adopting Islamic financing mechanisms. The foundation Despite the challenges it faces, based on a firm belief that the environment can form a fundamental pillar for achieving sustainable economic growth in the long term. However, this shift towards a green economic model It requires overcoming traditional mentalities and stereotypes entrenched in society..

In this context, Algeria adopted a package of measures to support the transition to Islamic sustainable finance. With the aim of enhancing competitiveness and stimulating economic growth and create new job opportunities. This approach requires member states to install a culture of responsible investment and Islamic finance among economic actors..

It is worth noting that the theme chosen for the 2025 Islamic Development Bank Group meetings, "Economic Diversification, Enriching Lives," reflects a clear commitment to sustainable policies and investments based on Islamic finance, and seeks to build a new economic model. (Green Economy)Moving beyond heavy reliance on natural resources and energy, and towards more efficient and inclusive development paths.

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