

Green Economy and Islamic Economy: Towards Accelerating SDGs

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ABSTRACT

The conventional economic system has led to rapid global development, but there is a need to explore alternative approaches. This paper addresses the limited research on the integration of green and Islamic economics, focusing on their contribution to Sustainable Development Goals (SDGs) and intergenerational prosperity. Employing a qualitative research method, the study reveals that green and Islamic economies complement each other due to their shared objective of societal welfare across generations. Both perspectives view SDGs as initiatives that promote equality and sustainable use of natural resources. Achieving these goals requires substantial funding, which is where Islamic financial instruments come into play, providing essential support for financing SDG-related activities. This research highlights the synergy between these two economic models and their potential to drive long-term, equitable development.

ABSTRAK

Sistem ekonomi konvensional telah mendorong perkembangan ekonomi global yang pesat, tetapi perlu eksplorasi pendekatan alternatif. Makalah ini membahas keterbatasan penelitian mengenai integrasi ekonomi hijau dan ekonomi Islam, dengan fokus pada kontribusi mereka terhadap Tujuan Pembangunan Berkelanjutan (SDGs) dan kemakmuran antar generasi. Dengan menggunakan metode penelitian kualitatif, studi ini menunjukkan bahwa ekonomi hijau dan ekonomi Islam saling melengkapi karena memiliki tujuan yang sama: kesejahteraan masyarakat di berbagai generasi. Kedua perspektif ini melihat SDGs sebagai inisiatif yang mendukung kesetaraan dan penggunaan sumber daya alam secara berkelanjutan. Untuk mencapai tujuan tersebut, diperlukan pendanaan yang signifikan, di mana instrumen keuangan Islam berperan penting dalam mendukung pembiayaan kegiatan terkait SDGs. Penelitian ini menyoroti sinergi antara kedua model ekonomi ini dan potensi mereka untuk mendorong pembangunan jangka panjang yang adil.



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INTRODUCTION

The conventional economic system has brought the world to rapid economic development (Arinta, 2019). The conventional economic system, especially in developing countries, has a negative impact on other sectors, such as environmental pollution and excessive exploitation of natural resources, which has now become a global issue (Soehardi, 2022). The increasing number of humans causes the exploitation of natural resources while the number of natural resources is decreasing. Reducing the amount of natural resources will impact decreasing production levels. A decrease in production levels can reduce people's income because those involved in production activities are the people themselves (Suci et al., 2023). This is an obstacle to achieving a sustainable economy. Recognizing these

problems, the green economy offers solutions for balancing economic development and environmental sustainability (Wiratama & Safitri, 2023).

The green economy concept offers a new perspective on economic development. A green economy focuses on increasing GDP and considers the impact of environmental sustainability and community welfare in the future (Arinta, 2019). Green Economy first appeared in 1987 because of a blueprint for a green economy (BGE), which was never created as a book. This BGE is a report commissioned by the UK Department of the Environment to assist them in formulating a policy response to the World Commission on the Environment (Barbier & Markandya, 2013). Although BGE was never published as a book, its report became essential for formulating environmentally sound policies. Barbier & Markandya (2013) in his book states that green economy is basically a practical policy to transform the modern economy so that it is more environmentally friendly and leads to sustainable development. Green economy offers a concrete framework for balancing economic growth, improving the quality of life, and environmental sustainability (M. Anwar, 2022).

Indonesia has demonstrated its commitment to the green economy by issuing various regulations. Law Number 32 of 2009 concerning Environmental Protection and Management is a crucial legal basis for efforts to preserve the environment and ensure its sustainability (Rahmah Kusuma et al., 2022). Supported by the 2020-2024 National Medium Term Development Plan (RPJMN) priority program as stated in Presidential Regulation Number 8 of 2020, which includes improving environmental quality, disaster resilience and climate change, as well as low-carbon development (Rahmah Kusuma et al., 2022). With this policy, it is hoped that a green economy can be realized, increasing economic growth and maintaining environmental quality. Implementing a green economy in Indonesia offers various opportunities. These range from sustainable economic growth and improving people's quality of life to strengthening national resilience against climate change and natural disasters. Green economy needs to be implemented to create a balance between the economy and the environment (Arinta, 2019).

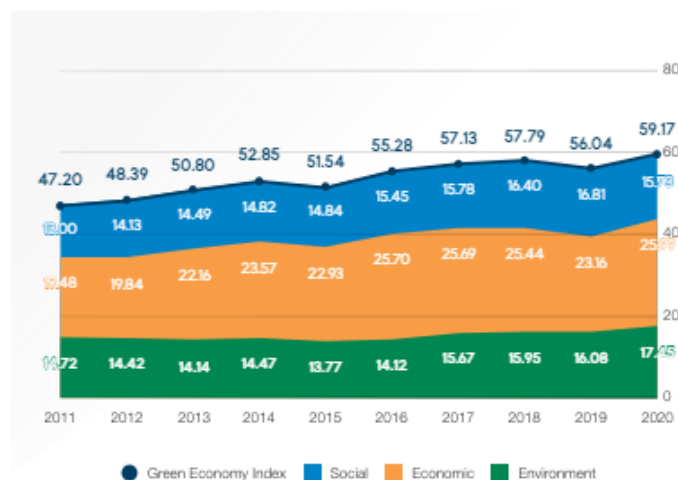


Figure 1 GEI Indonesia 2011-2020

Source: Bappenas, 2022

As in the picture, Indonesia's GEI (Green Economy Index) shows an upward trend over the ten-year period, this shows that the green economy is the right solution for balancing economic growth and environmental sustainability (Lestari et al., 2022). Implementing a green economy is in line with Islamic teachings about glorifying nature. From an Islamic economic perspective, humans are required to do good to themselves, other humans, and the environment (Azizah & Hariyanto, 2021). Islamic economics is a social science that provides a framework for understanding and addressing economic problems faced by humanity. It is based on Islamic values that uphold morality, justice, and shared prosperity, (Muhammad Abdul Mannan, 1986). Islamic economics guides humans towards achieving *Falah*, a condition where happiness is measured not only based on material things but also spiritually. Islamic economics exists as an alternative to the unsustainability of the modern economic system, which causes excessive exploitation of natural resources and environmental damage (Al-mishri, 2006). Islamic economic principles, oriented towards ethics, transparency, and halal practices, offer a more sustainable and just alternative. Islamic economics is a concept based on the values of justice, honesty, transparency, and mutual assistance (M. S. Mubarak, 2022). One of Islamic economic' advantages is its focus on justice. This system emphasizes brotherhood and social justice, which means that wealth is distributed so that it is not concentrated among a few people. Islamic economics also upholds ethical and moral values. Economic transactions must be carried out with honesty, transparency, and mutual respect (M. S. Mubarak, 2022). Exploitative practices and fraud are strictly prohibited in Islamic economics. Islamic economics also strongly commits to environmental sustainability. Excessive exploitation and environmental pollution are prohibited to maintain balance and harmony in the universe.

Indonesia, an OIC member country, is intensifying the implementation of a green economy. However, several previous studies have revealed challenges in this area (Prasetyo, 2021). The factor that most hinders the implementation of a green economy is waste and rubbish, which occurs due to the lack of public awareness of the environment (Wungkus Antasari, 2019). The lack of activities that support environmental conservation is an obstacle to achieving the SDGs. The United Nations 2030 development agenda, known as the Sustainable Development Goals or SDGs, is a common goal to achieve sustainable global development by 2030. The SDGs were initiated by the UN in 2015. Bappenas (2020) are defined SDGs as development that maintains prosperity and improves the quality of life of society for the next generation. This definition emphasizes that SDGs are not only about achieving economic targets and infrastructure development but also about ensuring the welfare of society as a whole in terms of health, education, and social justice. Bhayu Pratama et al. (2020) In his research, he explained that the SDGs are a framework for achieving sustainable development that is valid from 2015 to 2030. The SDGs replace the Millennium Development Goals (MDGs), which were previously achieved (Bappenas, 2020). MDGs focus on eight specific goals, such as eradicating poverty, hunger and infectious diseases. Although the MDGs have achieved significant progress, the program has been criticized for its lack of focus on environmental sustainability issues (Rizki et al., 2022).

SDGs are not only about economic development but also include environmental and governance aspects. This is done to improve the quality of life of current and future generations of society (N. M. Putri et al., 2024). Demonstrating its commitment to the 2030 agenda, the Indonesian government issued Presidential Regulation Number 59 of 2017 concerning achieving the Sustainable Development Goals (SDGs). This regulation outlines the framework for implementing SDGs in Indonesia, including indicators and targets that must be achieved. Putri et al. (2024) The SDG indicators consist of three pillars of development: human, socio-economic, and environmental. These three pillars of sustainable development are interrelated and cannot be separated.

The first pillar concerns humans, which includes indicators such as education and health. Education and Health are fundamental investments for humans (Siregar et al., 2022). Access to quality education opens up opportunities to improve skills, knowledge, and critical thinking. On the other hand, health is the primary capital for humans to work productively and live a prosperous life. The second pillar is socio-economic, which includes indicators such as access to a suitable living environment and economic growth. This socio-economic pillar focuses on creating an environment conducive to inclusive and equitable economic growth (N. M. Putri et al., 2024). This means prioritizing the responsible use of natural resources, minimizing carbon emissions, and maintaining ecosystem balance. The third development pillar includes indicators such as natural resources and quality of life (N. M. Putri et al., 2024). The availability of natural resources is the foundation for various economic activities. This pillar emphasizes the sustainable use of natural resources, ensuring a balance between current and future generations' needs. These three pillars are interrelated to increasing economic growth without destroying sources of economic capital so that the SDGs can be achieved. Progress in one pillar will impact the other pillars. The SDGs were formulated as a global agenda for sustainable development, reaching all countries, including developed, developing, and poor countries (Paputungan, 2023). SDGs also ensure that all communities, without exception, have the opportunity to achieve prosperity.

However, few activities currently realize the green economy concept and the Islamic economic concept simultaneously to achieve the SDGs. Wiratama & Safitri (2023) Stated that the Islamic economy is one of the supporting factors for a green economy, and this is due to changes in the behavior of Muslim consumers who are currently more concerned about the environment. This research aims to understand the relationship between the concept of green economy and Islamic economics. Apart from that, it also aims to discover the perspectives of these two concepts regarding sustainable development so that they can contribute to achieving the SDGs. By exploring the concepts of green economy and Islamic economics, we can create new concepts to accelerate the achievement of SDGs.

RESEARCH METHOD

Qualitative research methods with library research were chosen to achieve the research objectives. The aim of using this method is to obtain theoretical data from a problem being discussed by reading and understanding existing literature (Arikunto, 2011). The library research approach aims to develop an in-depth understanding of the development of existing knowledge, theories, or findings in a particular field of study (Adlini et al., 2022).

RESULTS and DISCUSSION

Green Economy and Islamic Economy

The interaction between the economy and the environment is currently quite heavy. Economic activities, which are one of the main drivers of environmental damage, cause this interaction. Most environmental problems arise from conventional economic activities (M. Anwar, 2022). This is because conventional economic activities only focus on fulfilling unlimited human needs and desires by utilizing natural resources, which will eventually run out (Shafira et al., 2024). If these activities are continuously carried out to meet increasing market demand, they tend to damage natural resources more frequently and can influence environmental change (M. Anwar, 2022). The impact of environmental damage caused by conventional economic activities is now starting to be felt with the emergence of extreme climate change, which causes disasters such as droughts, floods and storms (Ulya, 2022). This disaster resulted in loss of life and property damage and hampered economic stability and sustainable development. Realizing this problem, the green economy is an alternative solution to environmental problems arising from economic activities.

Suprianik et al. (2022) It is stated that a green economy is an economic concept designed to achieve sustainable development with low carbon emissions, efficient use of natural resources, and increased social welfare globally. This aims to improve various environmental and social problems faced by society today. Khoirunisa Wahida & Hoirul Uyun (2023) In their research, they explain that a green economy is an economic approach whose main focus is the development and sustainable use of resources. This approach is in line with economic policy, which encourages economic activities that support sustainable development. Basically, the green economy offers innovative solutions to balance economic, social, and environmental interests (D. Mubarak, 2023). In other words, a green economy prioritizes environmental sustainability, creating new economic opportunities and improving community welfare.

The green economy, as initiated by UNEP (2011), is not just a trend but a paradigm transformation. The essence of a green economy is building a balance between economic growth, social welfare, and environmental sustainability. Implementing the principles of low carbon, resource efficiency, and social equality can realize this balance. Low carbon means minimizing greenhouse gas emissions, especially from the energy sector. Switching to renewable energy and increasing energy efficiency can achieve this (Evitasari & Komarulzaman, 2023). Saving resources means using natural resources sustainably and minimizing waste. Implementing the 3R strategy (Reduce, Reuse, Recycle) and a sustainable production system is an effective solution to achieving this goal (Juaayunata & Bayangkara, 2024). Furthermore, being socially inclusive means ensuring the transition to a green economy benefits the entire community, not just a few people. This can be achieved by creating green jobs, increasing access to technology and education, and ensuring active community participation in decision-making (Kastanya et al., 2021).

A *green economy* is a new paradigm considering environmental aspects in every economic activity. A green economy focuses on environmental protection and optimizing economic activities by considering natural resources that will eventually run out Niyazbekova et al. (2021) In this concept, production activities are encouraged to use environmentally friendly

resources, produce lower emissions and are easily decomposed and easily recycled (Niyazbekova et al., 2021). Green economy principles align with Islamic economics' fundamental values in offering sustainable solutions for development. In Islamic economics, preserving the environment is every human's moral and religious responsibility. Islamic economics is sourced from various verses of the Koran and hadith of the Prophet Muhammad SAW. Formulate governance in regulating economic activities comprehensively, from production to distribution to consumption. These rules aim to create community welfare, maintain environmental sustainability, and social justice (Kunaifi et al., 2021).

The green economy and the Islamic economy have a strong relationship because they share many of the same values, especially regarding human welfare (Azizah & Hariyanto, 2021). Islamic economics, with the principles of maqashid sharia, places humans as leaders on earth, responsible for managing natural resources wisely to achieve the common good. On the other hand, a green economy also emphasizes environmental sustainability and sustainability in using natural resources. Before the concept of a green economy was conceived, Muslim scholars had already created principles that aligned with green economy values (Rohmah & Rahman, 2023). In Islamic economics, Ibnu Khaldun has previously stated the importance of a balance between responsible and sustainable use of natural resources and sustainability by considering environmental sustainability to achieve sustainable development (Rohmah & Rahman, 2023). Green and Islamic economies both uphold moral and ethical values in economic activities. Islamic economics prohibits practices that damage the environment and overexploit natural resources, in line with green economy principles that prioritize the use of natural resources in a sustainable and environmentally friendly manner (Azizah & Hariyanto, 2021).

In his book, M. S. Mubarak (2022) explains that Islamic economics has the same ultimate goal as Islam itself, which is none other than the pursuit of material gain alone. Its goals are to achieve happiness in this world and the hereafter and realize the benefit of all mankind. Goals that focus on the benefit of the world and the hereafter make Islamic economics in line with its strategic role in encouraging sustainable development. Islamic economics upholds the values of social justice, ecological balance, and environmental preservation. Sharia law's emergence to benefit all humanity is usually known as maqashid sharia (Erianto et al., 2024). Maqashid sharia is an essential basis for understanding and implementing Islamic law, not just focusing on written laws. There are several main principles in maqashid sharia, namely protecting religion (hifz al-din), protecting the soul (hifz al-nafs), protecting the mind (hifz al-'aql), protecting offspring (hifz al-nasl), and protecting property (hifz al-mal) (Al Mustaqim & Makarrim, 2024). First, protecting religion here is meant to protect and maintain religion as the foundation of human life (Erianto et al., 2024). Second, protecting the soul means safeguarding human rights to live and avoid danger. Third, protecting reason is meant by protecting human thinking and intellectual abilities. Fourth, protecting offspring, namely protecting the survival and glory of human descendants. Lastly, safeguarding assets is intended to protect individual ownership and wealth rights (Al Mustaqim & Makarrim, 2024). Maqashid sharia is divided into three levels, namely daruriyah, hajiyah and tahsiniah. Daruriyah (primary needs) includes basic human

needs for survival, such as food, clothing, shelter, and security. *Hajiyah* (secondary needs) includes needs that support fulfilling primary needs such as health, education, and infrastructure. Fulfilling *hajiyah* needs can improve the quality of human life. *Tahsiniah* (tertiary needs) includes needs that enrich and beautify life. Fulfilling spiritual needs can increase human happiness (Erianto et al., 2024).

This is reflected in various principles of Islamic economics, such as the prohibition of wrongdoing and the concept of *halal* (Munandar & Ridwan, 2022). The consistent application of these principles in Islamic economics can significantly contribute to achieving equitable development. Islamic economics focuses on sustainable economic growth, considering environmental sustainability and future generations' welfare (Wartoyo & Haida, 2023). Thus, Islamic economics offers an alternative solution to the global economic system, which has been criticized for its exploitative and unsustainable nature. Its fair, balanced, and sustainable principles make Islamic economics an ideal concept for building a more prosperous future for all humans. Latifah (2022) her research revealed that Islamic economics is essential to supporting sustainable development in Indonesia. This contribution can be seen from the various existing Islamic products and services. The development of the Islamic economy in Indonesia needs to be optimized to maximize its contribution to sustainable development. A responsible economy supports sustainable development, and this will be achieved if existing principles are implemented in the Islamic economic system. The principles of justice, balance, and environmental concern are firmly embedded in the Islamic economic framework. This is reflected in various Islamic economic instruments and practices, such as *zakat*, *waqf*, and other Islamic financial systems. Uncontrolled exploitation of nature threatens human survival in the future. Therefore, implementing a green and Islamic economy is a solution to protect the environment and create prosperity for all generations.

Green economy and Islamic economics view that the economic system must be regulated to achieve broader goals, not just the pursuit of economic profit. Both view the economic system as having to contribute to the achievement of social and environmental goals. The green economy aims to reduce poverty and social inequality, which aligns with the Islamic economic goals of justice and equality (Alatas et al., 2023). The potential for synergy between the green economy and the Islamic economy is very large. These two economic systems have their advantages, so there is potential for the two systems to interact and develop together. The integration of Islamic values in green economy practices can strengthen commitment to ethics and morals and ensure long-term sustainability. Green economy and Islamic economics view that the economic system must be regulated to achieve broader goals, not just the pursuit of economic profit. Both view the economic system as having to contribute to the achievement of social and environmental goals. The green economy aims to reduce poverty and social inequality, which aligns with the Islamic economic goals of justice and equality.

SDGs from The Prespective Green Economy and Islamic Economics

Sustainable development is a concept that is not only limited to environmental preservation efforts but also considers the impact on economic and social aspects. This concept utilizes sustainable natural resources to meet current and future needs in building

a better future (Supramoko, 2020). Putri et al. (2024) said that human development, socio-economic development, and environmental development are indicators of achieving sustainable development goals. SDGs overcome the shortcomings of MDGs by integrating the concept of environmental conservation. SDGs also recognize the relationship between various development issues. This is reflected in the 17 SDGs goals, which are interrelated and cannot be achieved separately (Paputungan, 2023). These 17 SDG goals are a joint agenda to be achieved within 15 years until 2030.



Figure 3 Sustainable Development Goals
Source: United Nations, 2020

With 17 goals, SDGs bring a profound vision of a better future. A world without poverty and hunger is essential for building a healthy and prosperous life. Quality education and gender equality are a solid foundation for building superior human resources. These two pillars are a way to create a generation that can answer the challenges of the future. Access to clean water and decent sanitation, clean and affordable energy, as well as a decent life and economic growth, are prerequisites for a decent and dignified life (Asmaria, 2023). Industry, innovation, and infrastructure are the keys to supporting the nation's progress and competitiveness. Reducing disparities and creating sustainable cities and communities is the essence of building a just and inclusive society. Responsible consumption and production and handling climate change are calls to preserve the environment for future generations (Setyorini & Asmonah, 2023). Maintaining marine and land ecosystems is an investment in human survival and natural balance. Peace, justice, and strong institutions are the foundation for achieving a safe, orderly, and prosperous society. And finally, partnerships to achieve goals are the key to mobilizing resources and global cooperation in realizing the SDGs (Setyorini & Asmonah, 2023). SDGs can be called a joint commitment of every country, a concept arranged to overcome various interrelated global challenges such as poverty, climate change, and inequality.

Islamic development economics methodology defines sustainability as a concept that integrates economic, social, and environmental dimensions, emphasizing the importance of balancing the three (Soehardi, 2022). This approach emphasizes justice and balance in using natural resources and economic development based on Islamic values. Meanwhile, the green economy views sustainable development as activities that uphold the management of natural resources by paying attention to environmental sustainability and the welfare of all generations (K. Anwar et al., 2023). This approach focuses on the sustainable use of natural resources and minimizing negative environmental impacts. To achieve sustainable economic development, economic activities must be directed towards

environmentally friendly activities, minimizing pollution and degradation of environmental quality (D. Mubarak, 2023). By applying the principles of sustainable development, economic activities can be directed towards environmentally friendly activities. This can create economic and social benefits for current and future generations.

Combining the principles of green economy and Islamic economics in economic development offers innovative solutions to achieve sustainable development. These two concepts can direct economic activities towards environmentally friendly ones, creating sustainable development (Shovkhalov, 2024). Green and Islamic economies offer concepts that balance economic activities in various aspects of human life as formulated in the sustainable development goals (SDGs) (Ulya, 2022). Sustainable development goals (SDGs) provide a comprehensive global framework for achieving sustainable development. Green economy and Islamic economics offer concepts that are in line with achieving these goals (Ulya, 2022). The Islamic economic system emphasizes justice and sustainability, which is reflected in its approach to environmental issues.

In the development of Islamic economics, new elements began to emerge in *maqashid sharia*, namely protecting the environment (*Hifdz al-Biâah*) (Mawftiq & Gustanto, 2023). This concept emphasizes that protecting the environment is a religious obligation for every Muslim. Environmental *fiqh*, a derivative of *maqashid sharia*, explains Islamic norms and ethics regarding environmental management. The concept of environmental *fiqh* focuses on environmental preservation and considers social and economic aspects that can influence how humans think about achieving sustainability (Mawftiq & Gustanto, 2023). On the other hand, a green economy offers a more focused approach to alleviating environmental problems. This concept directly focuses on reducing the negative impact of economic activities on the environment and developing a sustainable economic concept (Shovkhalov, 2024). These two concepts have great potential to support sustainable development by applying the principles of the obligation to protect nature and the wise use of resources in carrying out economic activities. The application of this concept can be felt not only by the current generation but also by future generations (Yulitasari et al., 2024). Applying the principles of green economy and Islamic economics simultaneously is the key to accelerating the creation of a sustainable, environmentally friendly economy and achieving the SDGs.

Contribution of the Green Economy and Islamic Economy to Achieving the SDGs

Achieving the Sustainable Development Goals (SDGs) is an urgent global agenda seeking innovative and creative solutions by overcoming various global challenges for a better future. In achieving the SDGs, increasing income growth and employment through investment in industrial sectors that support sustainability is necessary. This can be created by combining a green economy system with an Islamic economy (Hari Kristianto, 2020). Both concepts have complementary values and principles that encourage sustainable development. Green and Islamic economies support sustainable economic growth by eliminating practices that damage the environment and natural resources (A. Putri & Sari, 2024). Sustainable development is accelerating to achieve environmental, social, and economic balance, which is discussed in more detail in the 17 SDGs goals.

There are 289 indicators for achieving the SDGs, but in 2020 in Indonesia, only 215 indicators will have data available. Based on this data National Action Plan (RAN) targets shows a positive trend, with around 56% or 161 indicators achieving the set targets. For indicators that show 19% or 54 indicators will be achieved. Meanwhile, for indicators that require special attention, 25% or 74 indicators, these indicators require special attention because they are at risk of not being achieved (Yulaswati, 2022).



Figure 4 Achievement Of Sdgs Indicators In Indonesia 2020
 Source: Bappenas, 2022

Based on the 2023 Development Report, Indonesia is ranked 75th, which means it has increased significantly compared to Indonesia's position five years ago, ranked 102. Currently, the implementation of SDGs has entered the last six years, so it must be filled with actual actions from all parties in accelerating the achievement of SDGs 2030. To accelerate the achievement of the SDGs, it is necessary to apply concepts that support the SDGs (Amannullah et al., 2023). The green and Islamic economies have economic concepts that appear in the SDGs. Environmental damage can hinder the fulfillment of community needs (Rohman et al., 2024). Therefore, an essential first step in sustainable development is socializing this matter with the community to increase public awareness and encourage their participation in sustainable development (Wungkus Antasari, 2019). Moreover, the Indonesian people need to understand the SDGs more.

Indonesia is a developing country currently included in the list of countries contributing the most carbon emissions globally (Pamungkas & Haptari, 2022). High carbon emissions come from various industrial sectors, transportation, and deforestation, which can cause various extreme natural disasters. Realizing this problem, Indonesia has adopted a green economy strategy to overcome the environmental crisis and spur sustainable development (Wartoyo & Haida, 2023). As a country dominated by a Muslim population, Islamic values are an essential guide in implementing a green economy (Mursid et al., 2024). Preserving nature is an obligation of every Muslim. The principles of social justice and ecological balance taught in Islam are in line with the main goals of a green economy. Therefore, all parties, especially the government, must provide policies that are useful in developing sustainable development activities (Mutmainah et al., 2023). The Indonesian government has demonstrated its commitment to sustainable development through various policies and programs. One of them is the launch of the waste-free Indonesia program by the Ministry

of Environment and Forestry in February 2016. This program focuses on implementing 3R (Reduce, Reuse, Recycle) in activities to reduce waste and encourage a sustainable lifestyle (Diogsha & Noviarita, 2024). Realizing a sustainable economy requires significant funding to develop renewable energy infrastructure and support environmentally friendly industries. This is where the critical role of the parties involved, such as the government, private sector, and international institutions, is channeling funding. So, financial instruments are needed to channel funding to support the SDGs (Fitrah & Soemitra, 2022).

The government can utilize Islamic financial instruments. Islamic financial instruments align with Islamic principles and a green economy, that emphasizes balance between humans, nature, and the economy. The government can use Islamic financial instruments to support green economy activities to achieve the SDGs. The first is green sukuk, and this instrument is used to fund five green sectors in realizing SDGs, with the potential for emissions to increase as investors' concern for the environment increases (Fitrah & Soemitra, 2022). The government has issued several green sukuk to fund five green sectors: renewable energy (solar, wind, water, and geothermal power plants), green transportation (electric vehicles, environmentally friendly infrastructure), water management, waste management, and sustainable forests. Apart from green sukuk, the Islamic financial instrument that can be used is green waqf. Green waqf is a permanent grant of property managed for environmental conservation. Green waqf allocates waqf funds towards greening land, managing waste, and building environmentally friendly infrastructure (Mardani, 2023). The use of Islamic financial instruments in green economy activities positively impacts the environment and creates opportunities for new economic concepts to improve community welfare. The government needs to continue to encourage the development and use of Islamic financial instruments to support green economy activities and accelerate the transition toward achieving the SDGs.

Financial instruments can also mobilize funds from various sources to finance collaborative activities in the green and Islamic economies. Collaboration between the green and Islamic economies gave birth to green halal industrial activities. Green halal industry here is aimed at industrial activities that ensure halal products and maintain the sustainability of the halal supply chain from upstream to downstream (Dewi, 2024). This means that the entire series of production activities, from selecting raw materials to product distribution, must be halal and carried out in an environmentally friendly manner. The green halal industry not only produces safe and good products for consumption or use but is also committed to preserving and protecting the environment, such as reducing renewable energy, reducing waste, and implementing sustainable production practices. The green halal industry focuses on the production of the food and beverage sector and includes other sectors, such as medicine, fashion, and tourism (Dewi, 2024). The green halal industry has considerable potential to become a driver of sustainable development. This industry not only offers products and services that meet the needs of Muslim consumers, but also contributes to preserving the environment and improving community welfare (Rizki et al., 2022). With support from the government, the private sector, and the wider community, the green halal industry can develop rapidly and become a model for other industries to adopt sustainable practices.

This discussion clearly shows that the synergy between Islamic financial instruments and the green economy concept presents innovative solutions to achieve sustainable and environmentally friendly development. This collaboration focuses on preserving natural resources and opens up new opportunities for comprehensive and equitable economic growth. Achieving the SDGs through collaboration between the Islamic and green economies requires commitment and cooperation from various parties, from the government, private sector, and civil society to international institutions. Environmentally friendly activities carried out jointly and in the long term will positively impact the economy. Maintained natural resources can support the sustainability of economic activities for all generations. This is a form of achieving the SDGs. Furthermore, this synergy can open new environmentally friendly business opportunities, create green jobs, and improve community welfare. In this way, sustainable and balanced development is achieved, which focuses not only on economic aspects but also on social and environmental aspects. In conclusion, collaboration between the Islamic and green economies is the right solution to achieve sustainable development. With commitment and cooperation from all parties, we can create a better future for current and future generations.

CONCLUSIONS

The green economy and the Islamic economy are two economic concepts with different missions but similar goals. The green economy primarily focuses on environmental sustainability, while Islamic economics emphasizes social justice. Despite their different focuses, both aim to improve society's quality of life, benefiting both current and future generations. Community welfare is central to the Sustainable Development Goals (SDGs), which require a balance between environmental sustainability and socio-economic development.

A green economy emphasizes environmental conservation and provides innovative solutions to address environmental crises. Achieving environmental sustainability involves costs, making Islamic financial instruments that align with green economy principles crucial. These instruments can fund activities that support environmental preservation, particularly within the growing green halal industry. The green halal industry aligns with Islamic values, promoting balance and harmony between humans and nature, and prioritizes ethical and moral aspects of environmental management.

The collaboration between Islamic financial instruments and green economy principles offers an innovative approach to sustainable development consistent with Islamic teachings. This collaboration can both protect the environment and create new jobs, contributing to long-term economic growth and benefiting both present and future generations.

Realizing these goals requires the involvement of various stakeholders. The government must provide regulations and guidelines to support SDG achievement by formulating comprehensive policies and allocating resources for related programs. Academics and researchers play a crucial role in generating knowledge and innovations that support the SDGs. The media can disseminate research findings, educate the public, and inspire new concepts for accelerating SDG progress. Mass media is essential for raising awareness and

encouraging public involvement in SDG-related activities. Active community participation is also vital for achieving these goals.

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