

Shariah-Based Investments and Sustainability through Green Sukuk in the GCC Region

Meli Handayani¹

¹Pendidikan Agama Islam, Universitas Muslim Indonesia

Corresponding Author: Meli Handayani

Abstract

This paper aims at assessing the role and relevance of Green Sukuk as as Shariah compliant financial instrument for sustainable investment in the GCC area. Since most of the countries in the GCC region are diversifying from an oil-based economy, Green Sukuk is a perfect financial tool to attract funds for green projects. This quantitative study used surveys from experts in the field, civil servants and project managers to analyze the potential of Green Sukuk in meeting the sustainability needs. The studies show that Green Sukuk does more than just advance the financing of renewable energy and sustainable assets; it also boosts employment and strengthens communities. In this regard, participants asserted that Green Sukuk relevant to national Sustainability objectives and enhances ethical investment practices. However, the research work also highlighted some emerging enablers that may pose risks to the new market namely, lack of standardized procedures and regulatory issues. This research supports the understanding on how IF can be influential in providing an effective solution to SD and how much needed instrument green sukuk are in need of more stringent policy support and awareness to maximize its potential in the GCC region. At the end, this research emphasizes on ways of harmonizing Shariah-compliant financial assets with sustainability strategies for a sustainable economic and environmental effect.

Keywords

Green Sukuk
Sustainability
GCC Region
Shariah-Based Investments
Renewable Energy

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Introduction

The global financial system has waned through transformational changes in the recent past with sustainability being embraced as fundamental to investment and policy formulation. Sustainable finance or also known as green finance that is conducted considering social, environmental, as well as governance factors has attracted vast attention globally. In this regard, the idea of Islamic finance and, particularly, Shariah compliance investment seems to exemplify the integration of sustainability perspective for a number of reasons as it comes with an ethical code of conduct and bans any performances that may be unhealthy for people and nature (Ayedh et al. 2021). However, the trend of Green Sukuk within the domain of Islamic finance has established a new avenue for harmonizing finance with the sustainability agenda in the broader globe particularly the GCC.

Islamic finance as a system is based on Shariah principles of economic justice, banning of dishonest practices and rituals similar to gambling and charging of interest on loans (Usmani, 2019). They established the base for sustainable development as it encourages equal distribution of wealth, and also responsible investment. Therefore, Shariah compliant investments are inclined by default toward sustainability since they demand the businesses and the investment products to be within the sustainable fence (Kasri et al., 2023). Hence, due to the amalgamation of Islamic ethic that supports sustainable goals, calling for the promotion of green sukuk, the GCC region, that is well endowed with Islamic finance options, provides the best backdrop to this research.

The Green Sukuk is a Shariah-compliant financial instrument aiming at mobilising funds that will support environmentally sustainable projects. It implies blending of Shariah-compliant finance and traditional green goals, where new prospects to finance initiatives like renewable power, waste management and eco-friendly facilities comes into the picture (Hassan et al., 2021). The first Green Sukuk was launched in Malaysia in 2017 and rapidly spread to the GCC countries where such giants as UAE and Saudi Arabia make use of this unique financial instrument to finance their aggressive sustainable development agendas (Ramli & Kasih, 2024). The launch of Green Sukuk is in sync with the long-term agenda of these LPICs to diversify their economies unlike the reliance on fossil fuel that these countries possess with supporting sustainability plans and frameworks like UAE Vision 2021 and Saudi Arabia Vision 2030 (Lin et al., 2024).

The GCC countries are under growing pressure to diversify their economies again as the main source of income for most of the countries is oil exports, and as the climate change agenda advances. Such challenges raises a pertinent question about unique financial model which would enable sustainable large scale projects while strictly following the Islamic finance Shariah. Developing Green Sukuk seems to hold the key to these conflicting problems for attracting both conventional and Shariah investors who are more concerned with funding environmentally sustainable projects (Abdullah & Keshminder, 2022). Also, the Green Sukuk market is stable to propel the GCC countries to be pioneers in the sustainable finance while buoying remarkable strengths in Islamic finance (Shalhoob, 2023).

However, this literature reveals substantial barriers to the use of Green Sukuk within the GCC region. The rules governing GF are still emerging, and the issue of launching standardized green certification procedures is one of the main challenges. Besides, investment knowledge about the Green Sukuk and knowledge comprehensiveness among the investors, issuers and other stakeholders in the region are still relatively weak in comparison to other financial markets (Uddin, 2023). These challenges are also made worse by the fact that there is no consensus in the literature on what can be considered as a “green” project for Islamic finance, which makes the process of issuing green Sufians more difficult and may act as a dampener to investor confidence (Lazarus et al., 2022). Consequently, it is imperative to appreciate the dynamics of green Sukuk in the context of the GCC region, the prospects that are inherent in this financial tool, as well as the external threats and internal weaknesses that green Sukuk may face when developing the effective model of green financing in the region.

Therefore, the main purpose of this study is to establish the part that Shariah based investment plays in supporting sustainability in the GCC region with emphasis on Green Sukuk. This research aims at examining the potential of Green Sukuk for delivering environmental sustainability objectives alongside Islamic banking and finance. It also seeks to find out the major benefits and issues related to the evolution of green Sukuk market within the GCC countries. It is against this backdrop that this study is driven by the following research questions: The rationale for the study comes from the failure to create a link between the Islamic finance and the modern green finance, as well as the consumer demand for the financial instruments that would answer to the environmental peculiarities specific for the GCC.

Relatedly, this research attempts to fill the above-mentioned research gap with a qualitative exploration of Shariah-compliant investment and sustainability, or more specifically, Green Sukuk, in the context of the GCC countries. Unlike prior research that has explored the feasibility and framework for Green Sukuk (Rahman et al., 2024) this study provides a more granular view of the challenges and possibilities within GCC nations that heavily invest in Islamic finance. In addition, this research offers knowledge of a practical application of Green Sukuk for policymakers, financial institutions and investors in the region as to how Islamic finance can pave the way for a sustainable future.

Methods

This study used a qualitative research design for assessing the nexus between Shariah-based investments and sustainability captured by Green Sukuk in the GCC. The reason for choosing the qualitative research approach was due to the study's aim of assessing and analyzing the Green Sukuk implementation framework and its implications for sustainability because it considers the contextual enablers and constraints. It helped to gain awareness about the views/evidences of the participants such as financial experts, policymakers and investors on Islamic finance and sustainable development. This paper was developed as an exploratory model to explore the role of the recently emerging Green Sukuk in the sustainability framework of the GCC countries and to assess whether Green Sukuk aligns with Shariah rules. Data gathering methods used within the research design were purposefully semi-structured interviews, and the study utilized document analysis in the form of reports and policy papers as well as annual financial statements of analyzed companies. These methods used in combination offered us fleshed out qualitative information that could help explain the research questions. This paper sought to determine the rationale behind the use of Green Sukuk, the implementation experiences, and prospects for enhancing sustainability of the GCC countries.

Quantitative methodology was adopted through purposive sampling whereby respondents were recruited based on their experience and understanding of Islamic finance, sustainability and the GCC's financial markets. The sample involved 15 respondents in the present study, including Islamic finance academics, sustainability professionals, Green Sukuk issuers, policymakers of Islamic financial regulatory agencies from GCC member countries, and institutional investors who had engaged in Green Sukuk initiatives. The participants were chosen according to their role in Green Sukuk formation and launching or to their recognition of Shariah-based financial means and sustainable finance in general. This ensured that the participants offered multiple perspectives on the research problem thus realising different facets of the Green Sukuk market in the GCC. Semi structured interviews were used, because this method enabled the researchers to be relatively unstructured in response to the study objectives while being sufficiently structured to stay focused on the objectives of the research. The interviews were administered from March to June, 2023 and in certain cases were done in the presence of the participants otherwise was conducted online. These interviews ranged between 45 and 60 minutes in length and all participants provided voluntary consent for the interviews to be digitally recorded. The interview questions were designed to explore three main areas: Specifically, the study addresses three main questions, namely, (1) the extent to which Shariah principles influence Green Sukuk, (2) the perceived effect of Green Sukuk on sustainability programmes in the GCC, and (3) the prospects and limitations regarding the Green Sukuk market development.

Secondly, document analysis in relation to identifying Green Sukuk frameworks, financial statements, and policies of the selected GCC countries was performed. These documents gave contextual and background information that aligned with some of the interview results giving a layer of validation and triangulation of results from participants. Primary data was obtained from government and official reports, regulatory agencies and from monetary establishments participating in Green Sukuk.

Data Analysis

Thematic analysis was used to analyze the data noting patterns (themes) within the qualitative research data as suggested by the framework. Thematic analysis was especially helpful for this research as it allowed to consider not only the manifest and latent content of the interview materials and documents. The analysis process followed six key steps: We have; initial encounter with the data, data coding, theme search, theme reassessment, theme identification and labeling, and report generation.

First, interview transcripts and documents were reviewed several times to gain perspective of the data that were collected. Second, initial codes were derived from ideas, phrases or concepts that are repeatable in the

context of Shariah-based investments and sustainability. From these codes, the following key themes were developed: the compatibility of Shariah with sustainable values, the legal concerns in the issuance of Green Sukuk, and the functions of the Green Sukuk for national sustainable goals. The themes emerged from the analysis process were also discussed and the patterned content analyzed was reconsidered for applicability of the themes under the objective of the research.

Results and Discussion

Green finance is rapidly emerging, with special reference to Green Sukuk because the GCC region is moving toward sustainable development and diversification of energy sources. Green Sukuk, an Islamic Tiercurities, enables practicing investors to relate investment Sharia codes to universally accepted sustainability goals and as such, effect financiers of green projects. For nations within the GCC area to lift reliance on fossil, and combat climate change risks, Green Sukuk presents a way of linking up with renewable energy, infrastructure among other green activities. The research objectives of this study includes the following use of green sukuk Which involve finding out the way that green sukuk has contributed towards economic, environmental and social sustainability in the GCC region. This paper focuses on an increasingly significant phenomenon while attempting to fill the existing gaps in the literature concerning green finance and Islamic investment through interview data collected from key officials of Green Sukuk institutions; it also discusses the issues and prospects of the increasing phenomenon for future development.

Shariah-Based Investments and Sustainabilit

Islamic funds are those investment practices that are approved by the Islamic Shari-ah, especially on the issue of avoiding certain types of business consistent with the messages from the Qur-an and Hadith. Interests, gambling, Gharar and activities linked with haram products and services are some of the key principle principles of diminished in Shariah finance. Shariah-based investment aims at developing a responsible investment strategy through kinship and risk sharing and proper business management. Over the last decade or so, these principles have found a good fit with sustainable investment practices especially those based on Environmental, Social and Governance (ESG) factors. The relationship of Islamic finance and sustainability has gone a long way in resulting in the development of suitable investment products like Green Sukuk whereby investors can participate in the funding of sustainable development projects without having to be in violation of Shariah law.

Green Sukuk is, in fact, a Sukuk that is more specialized and it is used to finance only green projects. These projects could include the renewable power generation projects like wind and solar power projects and low carbon infrastructure projects. The aim of Green Sukuk is to support sustainable development through financings, which will have a positive impact on the environment, at the same time making it obligatory for the investors to adhere to the good moral and ethical principles of the Shariah. Green Sukuk has been a blossoming field of concern in the GCC region where many countries like United Arab Emirates, Saudi Arabia and Oman are pushing Islamic finance to promote sustainability measures as per national and global environmental preset goals.

Another socially applicable reason that goes a long way to explaining the advent of Green Sukuk in the GCC is the fact that the region has embarked on the process of looking for new sources of revenue whereby the revenues are not been derived from oil revenues. Due to new global concerns about climate change, all the GCC countries have started integrating sustainability into their developmental policies. These nation's strategies, for instance Saudi Arabia's Vision 2030 and United Arab Emirates Green Growth Strategy emphasizes shift to low carbon economy. The role of Green Sukuk is therefore regarded as crucial in financing large renewable energy and infrastructure projects that will underpin the transition to sustainability throughout the region In Saudi Arabia for example the use of Green Sukuk has been useful in funding

projects such as the Red Sea development solar city and wind power in Neom both of which are in line with the countries general objective of sustainability.

This paper benefited from the participants' understanding of shariah compliant investment in the context of sustainability and more specifically the Green Sukuk. A number of the respondents also focused on the ethical match between Shariah compliant and sustainable initiatives to which they do not see any discrepancy because of their adherence to Islamic values and principles. One interviewee, a financial expert specializing in Islamic finance, stated:

"The principles of Shariah are inherently aligned with sustainable development. Islam teaches us to be stewards of the earth, to avoid waste, and to ensure that wealth benefits society as a whole. Green Sukuk allows us to apply these values in a modern financial context."

This reflection emphasizes the moral underpinnings of Green Sukuk as a financial instrument that not only complies with religious law but also serves the greater good by promoting environmental stewardship.

Another participant, a senior policymaker involved in the development of sustainability frameworks in the GCC, discussed the role of Green Sukuk in supporting national sustainability goals. They remarked:

"Our country's vision for sustainability is deeply tied to reducing dependence on fossil fuels. Green Sukuk provides the financial mechanism needed to support large-scale renewable energy projects. It's a way for us to fund infrastructure that will help us transition to a more sustainable economy while staying true to our Islamic principles."

This sentiment is important in as far as Green Sukuk is concerned as a means of financing green project that will help with the general overall economic and environmental goals of GCC countries.

Linking Shariah principles to sustainability is anchored on the concept of mizan meaning balance as well as khalifah, which is stewardship. In this context for the continuation productive government Islamic teaching suggests a balance between growth and its effects on the global habitat maintained by any country. Consequently, the establishment of the Shariah-compliant sustainable investments, including Green Sukuk, is a manifestation of such values in the specified sphere. One of the core propositions that Green Sukuk follows as far as sustainability is concerned is the ability to fund such projects that have minimal impacts on the environment or actual projects that support green energy.

Many of the consumers have the impression that they are contributing to support important projects with an added advantage of making good returns though Green Sukuk. For instance, Green Sukuk has been utilised to fund electric power projects in the UAE, including the Masdar City with the vision of being one of the world's sustainable city. All these projects are good illustrations of the Islamic prohibition of causing harm to other people (la darar wa la dirar), which is a constituent part of Shariah as well as the definition of sustainability.

Despite the clear synergies between Shariah-based investments and sustainability, the development of the Green Sukuk market in the GCC region faces several challenges. One of the key obstacles is the lack of a standardized framework for Green Sukuk issuance, which makes it difficult for investors to compare projects and assess their sustainability impact. Moreover, the relatively small size of the Green Sukuk market compared to conventional bonds has limited its liquidity, making it less attractive to certain institutional investors. Several interview participants mentioned these challenges as barriers to the widespread adoption of Green Sukuk. One financial expert noted:

"The Green Sukuk market is still in its infancy, and we need more standardized criteria and transparency to build investor confidence. Right now, there's a lot of potential, but the market needs to mature."

However, participants also highlighted significant opportunities for the growth of Green Sukuk, particularly as GCC countries continue to prioritize sustainability. The growing global demand for ESG-compliant investments, combined with the GCC's commitment to diversifying its economy, is expected to drive the expansion of the Green Sukuk market in the coming years. Additionally, the strong backing from governmental and regulatory bodies in the region, coupled with increasing investor awareness, offers a favorable environment for the growth of Green Sukuk.

Role and Impact of Green Sukuk in the GCC Region

Getting to the crux of the matter, Green Sukuk in the Gulf Cooperation Council (GCC) region has emerged to represent a new chapter in sustainable finance. Green Sukuk is a Shariah compliant financial instrument, which has an important role to finance environmentally conscious projects to raise the funds. This section builds upon the concept of Green Sukuk and outlines its sustainable relevance to the GCC by sector, namely renewable energy, infrastructure, and social.

Based on the discussion in this paper, Green Sukuk has one of its major responsibilities in the process of financing sustainable investment. Green Sukuk has created an opportunity through which governments, corporations and other financial institutions can borrow funds to finance environmentally friendly projects. In the member countries of the GCC that are in the process of diversification from oil-centered economy, Green Sukuk occupies a strategic place as a financial solution. Part of the proceeds which can be generated from Green Sukuk can be used to finance renewable energy projects including Solar and Wind power which are so crucial to achieving national green objectives.

For example, in 2020, Republic of Indonesia launched its first Green Sukuk to support green initiatives while several nations of the Gulf Cooperation Council market found this success stimulating. The potential for large-scale financing through Green Sukuk enables governments to implement ambitious sustainability initiatives, as noted by an interview participant:

"Green Sukuk offers us a unique opportunity to finance large-scale renewable energy projects that align with our national vision for sustainability. It allows us to tap into a pool of investors who are increasingly interested in sustainable finance."

This insight highlights the growing recognition of Green Sukuk as a viable option for funding transformative projects in the GCC region, ensuring that investments align with both financial and ethical standards.

Green Sukuk has a substantial impact on the development of renewable energy infrastructure in the GCC. The region is characterized by abundant natural resources, particularly solar energy, which presents an opportunity for countries to harness clean energy sources. By financing renewable energy projects through Green Sukuk, governments can effectively reduce their carbon footprints and transition towards more sustainable energy systems.

The role of Green Sukuk in promoting renewable energy was echoed by a participant in the study who stated:

"With the issuance of Green Sukuk, we are not just financing projects; we are paving the way for a sustainable energy future. It's about creating a new paradigm for how we think about energy production and consumption."

This statement emphasizes the transformative potential of Green Sukuk in facilitating a shift toward renewable energy, reinforcing the region's commitment to sustainable development and addressing climate change.

In addition to financing renewable energy projects, Green Sukuk also plays a critical role in enhancing infrastructure development that supports sustainability initiatives. Infrastructure projects, such as green buildings, sustainable transportation systems, and waste management facilities, require substantial capital

investment. Green Sukuk can provide the necessary funding for these projects, thereby promoting urban sustainability and improving the quality of life for citizens.

The issuance of Green Sukuk in the GCC can facilitate the development of smart cities that incorporate sustainable practices in urban planning. These cities prioritize energy efficiency, waste reduction, and environmentally friendly transportation systems, aligning with global sustainability goals. An interviewee pointed out the significance of Green Sukuk in infrastructure projects:

"Investing in sustainable infrastructure is crucial for our cities to thrive in the future. Green Sukuk not only helps us finance these projects but also signals our commitment to sustainability to the international community."

This perspective underscores the dual benefit of Green Sukuk as a financing tool and a statement of intent towards sustainable urban development. Beyond environmental benefits, Green Sukuk has the potential to yield significant social impacts by contributing to community development initiatives. Sustainable projects financed through Green Sukuk can create job opportunities, enhance education, and improve public health. By prioritizing projects that address social welfare, Green Sukuk can help bridge the gap between economic growth and social responsibility. For instance, investments in green technologies and sustainable agriculture can empower local communities, providing them with the tools and resources needed to thrive economically while ensuring environmental stewardship. An interview participant highlighted the social dimension of Green Sukuk:

"Sustainability isn't just about the environment; it's also about people. Green Sukuk can finance projects that uplift communities and create jobs, ensuring that the benefits of sustainable development reach everyone."

This statement reflects the broader implications of Green Sukuk in promoting holistic development that considers both environmental and social factors. Despite the positive roles and impacts of Green Sukuk in the GCC region, challenges remain that could hinder its effectiveness. Issues such as the lack of standardized frameworks for issuance, regulatory uncertainties, and limited awareness among investors can impede the growth of the Green Sukuk market. Addressing these challenges will be essential to unlocking the full potential of Green Sukuk in promoting sustainability. But at the same time, potential instrument also exists for increasing the Green Sukuk market within the GCC. Diversification to green investment products across the global market together with Asia-Pacific region integrated strategies towards sustainable development has a positive implication to the growth of the industry. Since sustainable finance is gradually gaining adoption among the GCC countries, Green Sukuk investment is anticipated to have a new and profound function to the region's financial model.

This paper has discovered that Green Sukuk is currently a strengthen finance instrument that assists Shariah-compliant investments in addressing sustainability in the GCC region contributing significantly towards funding green structures and renewable energies. The specificity of Green Sukuk, thus, lies in its appeal to Islamic investors in their quest for sustainable, or ethical investment, while helping the region in their attempts to address the issue of greenhouse gas emissions and lessen their reliance on fossil fuel. This is even more important bearing in mind that the GCC economies have in the past heavily relied on oil and gas exports. The rise in the demand for green financing activities in the countries that belong to this part of the world can be evidenced through the Green Sukuk issues like Saudi Arabia, which has issued the Green Sukuk for financing renewable energy projects as part of its Vision 2030 programs (Lee, 2020). From the Islamic point of view, Green Sukuk helps to introduce sustainable development concepts into the GCC countries, modifying them for their economy and responding to global climate change initiatives. The conclusion of this study validates the idea of this exposition by identifying the reality that Green Sukuk is a good example of financial product and economic change in the region. Main stakeholders' interviews showed that Green Sukuk has helped expand renewable energy initiatives in the shape of Solar and Wind farms that are relevant

to the GCC to shift to non-fossil energy resources. One participant noted: From this statement, it is clear that Green Sukuk is a powerful tool in promoting the region's renewable energy agenda as it solves two problems; the economic and the environmental ones. Investment in sustainable energy sources to cater to the rising demand for electricity in the GCC has become of significance in the existing literature and Green Sukuk has been found to be an efficient way of mobilising such investments (Araminta & Timur, 2022).

Moreover, the goals of lowering the carbon emission by the GCC as reflected by UAE's Energy Strategy 2050 also supports the need for financing mechanism such as Green Sukuk. UAE Energy Strategy 2050 entails increasing the share of clean energy up to 50% by 2050; Green Sukuk is a Shariah compliant approach of mobilising capital towards these objectives. This study thus shows how, in the framework of green finance, Green Sukuk contributes to help GCC countries in the achievement of climate targets and economic diversification, which has been partially addressed in previous literature, adopting conventional green bonds as a model of analysis (Alam et al., 2023). It was found that relative to prior research, Green Sukuk has a pronounced social aspect in addition to the economic and environmental contributions of the Green economy. It has been established from this study that Green Sukuk can make positive incremental contribution to the social welfare of societies through the promotion of projects that could advance job creation, community development, and development of public infrastructure. The funds that result from Green Sukuk is not only used to finance environmental projects; these funds are useful for general development goals that can be compliant with the Islamic law of social justice and welfare (Alam et al., 2020).

The above revelation holds the erstwhile implications of Green Sukuk on Socio Economic Development of GCC region. The potential for job creation in Green projects specifically in renewable energy and sustainability infrastructures projects is crucial considering the problem of employment of youth in the GCC countries. Abdullah & Nayan (2020) identified that Islamic finance held the potential of pursuing social justice, but the authors of the study failed to explain how the financial tool such as Green Sukuk could lead to actual social impact. This study fills that gap by showing that not only does Green Sukuk overcome environmental concerns, but also social and economic relevancy of local communities as well. Further, establishing the links between Green Sukuk and United Nation Sustainable Development Goals (UNSDGs) increase its social relevance. In addition, business activities financed by Green Sukuk can lead to several others outlined by the SDGs including: access to affordable electricity (SDG 7) and decent work and economic progress (SDG 8), thus underlining the fact that Green Sukuk also plays a significant bi/miscellaneous social function (Chigbu Nekhwewa, 2023). Previous research work has highlighted mainly the environmental gains brought by Green Sukuk without considering the social gains it may bring into the society. This research fulfills this gap by finding and explaining more general and lack of variety consequences of Green Sukuk in the GCC area.

However, this study also discovers several potentials of Green Sukuk that can hamper the growth of sustainable development in the GCC region. Another question that emerged from the interviews is the absence of the a consistent rules regarding the Green Sukuk issuance. The process of regulation of Green Sukuk is more complex compared with the standard bonds because Green Sukuk is based on the principles of Islamic finance and has to meet standards of environmental sustainability. Complemented by Mukhlisin (2021) it is clear that there must be clearer and standard specific guidelines for the Islamic financial market, although the authors did not emphasize Green Sukuk. This research contributes to the literature by offering a rich analysis of the challenges inherent in GCC countries to scale up Green Sukuk market.

This is in concordance who found that regulatory issues create uncertainty affecting the advancement of Islamic finance products. In order to overcome this problem, the GCC countries will have to come up with specific regional rules that would enable the se issuance of Green Sukuk while at the same time meeting the Shariah compliance and the environmental goals. This will entail the effort of the regulators together with

financial institutions and sustainability experts in development of frameworks for green investment which will not negate Shariah legality. Other important constraints highlighted in this paper are therefore regulatory concerns and poor investor awareness and education on Green Sukuk. Although there is ever increasing interest in sustainable investments around the world, most investors in the GCC seem to be unaware of the existence of Green Sukuk and many of its advantages. proposed that knowledge of Islamic finance may facilitate the development of a marketplace for ethical goods and services investment but failed to provide certain mechanisms to boost the involvement of Investors on Green Sukuk. Towards filling that gap, this study underscores the importance of conducting specific investor-education initiatives is to spread the enhanced understanding of the peculiarity of Green Sukuk and promote the idea of Islamic-compatible investment that might bring high and stable returns.

Nevertheless, going forward the Green Sukuk in the GCC region seems to have several growth prospects and vast possibilities for expansion. With the clients, especially the international parties displaying their preference towards sustainable investments, the GCC region now has an opportunity to tap into this market by using the leadership of Islamic finance and the region's new policy of sustainable finance. green finance market is set to expand over the years, and Green Sukuk can prove to be strategic towards achieving sustainability goals of the region along with luring investors seeking Islamic compliant investments. Another relevant main finding of this study refers to the cross-border cooperation in Green Sukuk. GCC countries can collectively partner to invest in large projects that can be easily accomplished by any individual country owing to its limited resources and knowledge base and help the region to install utility-scale renewable energy projects. In addition, the growth of Green Sukuk to new industries such as agriculture, and water efficiency added extent the benefits of both the social and the environmental sectors.

Conclusion

Green Sukuk is equally established as a notable financiers' instrument in the context of the GCC countries that have become an efficient mediator between the Islamic financial markets and sustainability projects. Through mobilisation of capital for renewable energy projects, improvement of sustainable facilities and promoting the general social well-being of the region, Green Sukuk not only conforms to the Islamic religious laws but also assists in the long term environmental objectives of the region. The concerns obtained from the interviews with stakeholders are the innovative approach of Green Sukuk in terms of ordering the course of the economic development while solving the main social problems. With the usurpation of market sentiments and the rise of issues like regulatory frameworks and investor awareness, the steadfast vow of the GCC countries towards the sustainable development coupled with the increasing supposal demand for ethical investment solutions worldwide establish Green Sukuk at the forefront as a key stakeholder towards the accomplishment of sustainable development goals in the region. Consequently, the prospects of Green Sukuk look favorable and can contribute to the generation of positive sustainable changes in both the environment systematically.

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