

GREEN SUKUK AS AN EFFORT INCREASING SHARIA-BASED INVESTMENT IN SUPPORT OF CLIMATE CHANGE MANAGEMENT IN THE INDONESIAN REGION

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Abstract

The reason of this think about is to decide how green sukuk can increment sharia-based speculation in back of climate alter moderation in Indonesia. The scope of this think about incorporates green sukuk, sharia-based speculation, and climate alter administration in Indonesia. This ponder was conducted to decide the adequacy of green sukuk as a implies of expanding sharia-based venture, and past writing audits did not cover comparative inquire about subjects and ponders. The research method used in this study is qualitative, with a literature study approach and analysis of previous literature studies. The results of the study show that green sukuk has the potential to be developed in the domestic and international markets and is also able to increase sharia-based investment, and is able to be a support in handling climate change that occurs in the Indonesian region. Green sukuk is able to have openings additionally has the potential to proceed to be created in Indonesia, where the current condition in Indonesia, where the lion's share of the populace is Muslim and included esteem for green sukuk to be developed, and able to reply the problems of climate alter and speculation within the Indonesian locale. The suggestion of this investigate is that the comes about of this investigate can be an input that can be the premise for endeavors to extend Islamic-based venture (sharia) and can also be the premise for keeping up climate alter, counting within the encompassing environment and within the Indonesian locale.

Keyword: *Green Sukuk, Sharia-Based Investment, Climate Change Management, Indonesian Region*

A. INTRODUCTION

Green sukuk is able to have openings additionally has the potential to proceed to be created in Indonesia, where the current condition in Indonesia, where the lion's share of the populace is Muslim and included esteem for green sukuk to be developed, and able to reply the problems of climate alter and speculation within the Indonesian locale. The suggestion of this investigate is that the comes about of this investigate can be an input that can be the premise for endeavors to extend Islamic-based venture (sharia) and can also be the premise for keeping up climate alter, counting within the encompassing environment and within the Indonesian locale.

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The scope of green sukuk can be utilized to green back establishment and enhancement progression. Sukuk can additionally be utilized to renegotiate improvement, amplify commitment, or government green apportionment installments (Taufiqurrohman and Yusuf, 2022). Concurring to the Around the world Climate Bond Standard, sensible assets for green sukuk are sun based parks, bioenergy plants, wind imperativeness, clean water, hydropower plants and provincial water framework wanders, essentialness capability applications and low-carbon buildings, low-carbon arrive utilize, geothermal essentialness, electric vehicles and establishment, and ocean-related common wanders, a incredible and promising way to contribute in wanders related to the environment is by green sukuk. This takes after a

around the world incline where the world is centering on sustainability-based wanders, particularly those related to the environment and reforestation. At a get together in Bali in October 2018, Arumnan Oteh, World Awful propensity President of Bank Treasuries at the World Bank Group's Annually Around the world Monetary Back, said that various all inclusive examiners would be interested on the off chance that the government was totally committed to understanding common issues. In Walk 2018, Indonesia issued USD1.25 billion of green sukuk, which ought to be the essential sukuk inside the world issued by a country. In extension, the Indonesian government is the greatest issue of green sukuk inside the world.

Green sukuk is able to supply back to amplify sharia-based speculation, conjointly sharia hypothesis is able to answer and reinforce the climate modify prepare in Indonesia, this states that green sukuk can be a reinforce for sharia financing conjointly donate an affect on the viability of sharia-based theory and back the development of system and headway for the Indonesian district. Underneath the examiner appears the number of sharia-based theory interested in 2019-2023.

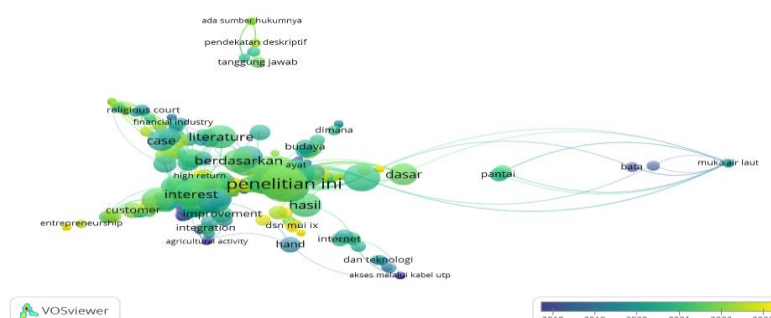
Table 1
Number of Sharia-Based Investment Interest in 2019-2023

Year	Number of Shariah-Based Investment Interest
2019	44.563
2020	81.413
2021	1.600.704
2022	4.012.027
2023	136.418

Source : Financial Services Authority

Based on the data over, it can be seen that the charmed in contributing in sharia has changed and in 2023 the number will lessen unquestionably, this will have an influence on monetary improvement conjointly mechanical and money related advances in a region. System advancement that produces tall carbon outflows. For case inside the essentialness division and the creating fragment that produces carbon outpourings over sensible limits. Carbon outpourings are a sort of nursery gas surge that's one of the benefactors to examine defilement that highlights a appalling influence on human prosperity and the environment. Indonesia's Serve of Back communicated that at scarcest Rp3.5 trillion is required to diminish three-quarters of carbon surges created from the essentialness division. Based on the data and foundation of the issue over, the enumerating of the issue is how Green Sukuk is able to endeavor to expand Sharia-based wander in supporting the managing with of climate modify in Indonesia. The criticalness in this consider is to see and see at the relationship between green sukuk and sharia-based hypothesis in supporting climate modify taking care of, conjointly to see how various past considers almost have inspected the same thing around green sukuk and sharia-based wanders. Underneath the examiner appears the comes almost of mapping or visualization gotten from a collection of some past journals with regard to Green sukuk which are visualized inside the Vos watcher Computer program.

Figure 1
Visualization of Research on Green Sukuk, Sharia-Based Investments



Source : Primary data, 2024

The visualization over, shows up that the ask approximately or ask approximately components that are broadly utilized are around integration and agrarian works out, but in explore on such as the money related industry which is roughly sharia-based wander furthermore a infers of installment, to be particular green sukuk, is still for the most part small and still has not been investigated, so usually regularly the criticalness of examiners to conduct examination and explore. To encourage more comprehensive examination and comes around. Based on the definition of the issue and the desperation of the investigate, this consider focuses to degree how fruitful green sukuk is as an effort to amplify sharia-based wander in supporting climate change in Indonesia.

B. LITERATURE REVIEW

1. Green Sukuk

Sukuk may be a sort of islamic budgetary instrument interior the scope of the capital promote. Sukuk is one of the preeminent creative things inside the change of the cutting edge islamic cash related system. Green sukuk may be a money related instrument based on sharia benchmarks issued to fund wander works out that provide benefits to the environment and reinforce endeavors to soothe the influence of climate change. Not at all like sukuk in common, the proceeds from the issuance of Green sukuk are as it were utilized to fund or renegotiate wanders in assets, commerce works out, and wanders that are categorized as green (Sari, 2017). Green sukuk can be issued both by the Government and by the private portion for distinctive purposes such as to bolster a expand or renegotiate a expand, increase capital, and increase lending/financing. In development to fulfilling sharia measures, the issuance of green sukuk must meet the guidelines of temperate back.

There are a number of financial verses within the Qur'an that conversation almost the denial of usury (Kholis 2010). The evidence related to the capacity of Sukuk based on what is recorded within the Fatwa Gathering of the National Sharia Chamber is the Word of Allah SWT., QS. Al-Ma'idah verse 1:

﴿يُرِيدُ مَا يَحْكُمُ اللَّهُ إِنَّ حُرْمَ وَأَنْتُمْ الصَّيِّدِ مُجَلَّى غَيْرَ عَلَيْكُمْ يَنْتَلَى مَا إِلَّا الْأَنْعَامَ بَهِيمَةً لَكُمْ أَجَلَتْ بِالْعَفْوِ أَوْفُوا أَمْثَرَا الَّذِينَ يَأْتِيهَا

It implies: "O you who accept, fulfill the aqads. It is passable for you to animals, but for those that will be perused to you. (That) by not administering chasing after you are doing Hajj. In fact, Allah builds up the laws agreeing to His will" (Service of Religion of the Republic of Indonesia 2004). Hadith sees on sukuk venture, there are Hadiths and atsars that specify the word sikaak (sukuk) which is related with the disallowance of usury: From Abu Hurairah r.a. that he once said to Marwan: "You've got legalized usury". Marwan denied "I didn't do it". Abu Hurairah said once more, "You're reasonable to offer sikak indeed in spite of the fact that the Prophet PBUH has denied the deal of nourishment until it is superbly acknowledged (HR. Muslim Imam).

Wander in a sharia perspective is an energetic outline of Sharia Monetary things. In Islam, each property has zakat. On the off chance that the property is cleared out alone, at that point it'll relentlessly be eaten up by zakat. One of the lessons of this zakat is to energize each Muslim to contribute his wealth so that it increments. In hypothesis, there's a relationship between expected benefits and threats stood up to. Capital proprietors will "can" inclusion mishaps (benefits and incidents on the off chance that they happen). In physical theory, the apparent and regard have changed. Capital hypothesis is supervised by other parties who are trusted by the capital proprietor, for outline:

Sharia Bank, Capital Promote, or other money related markets. Along these lines, contributing inside the overseeing an account division and inside the capital publicize must be done outstandingly particularly and especially carefully, so that it isn't included in wanders that are inverse to sharia (Azhar, dkk 2023).

2. Sharia Based Investment

Shariah-based hypothesis measures consolidate keeping up a vital separate from interest-based trades, contributing in halal businesses, and ensuring straightforwardness and obligation in financial trade. Ask approximately on sharia stock wander choices considers components such as state of intellect, seen behavioral control, religiosity, and advantage maximization. The influence of weighting methodologies on Islamic monetary masters in addition considered. Islamic theory centers on the rule of sensibility completely different perspectives of money related activity. This joins the sensible sharing of benefits and hardships between the parties included inside the venture, as well as the avoiding of sharpens that will result in sweeping monetary awkward nature. This sensibility can make long-term budgetary strength. Straightforwardness and Responsibility:

Islamic theory propels straightforwardness and obligation in financial and exchange works out. This will offer help reduce the chance of control, blackmail and dishonest sharpens. deceitful sharpens, which in turn can invigorate examiner and partner certainty. Establishment Change and Conservative Amplify Finance:

Islamic hypotheses can be utilized to support system headway that's essential for long-term money related advancement. This joins theories in viable wanders such as renewable essentialness, green transportation, and common recovery, which can make livelihoods and increase effectiveness. occupations and increase effectiveness (Maskun, M. 2022).

3. Climate Change Management

Climate alter altogether impacts the world and has expanded the Earth's temperature to 1.5 degrees Celsius compared to the mechanical transformation period of 1880. In comparison to 1880, when the mechanical insurgency started, the Earth's temperature has risen by 1.5 degrees Celsius due to climate alter. Dangers related with climate alter incorporate softening polar ice caps, expanding ocean levels, contracting coastal districts, and an increment within the recurrence of hydrometeorological fiascos and extraordinary climate events. In expansion, it ruins framework, raises the temperature of saltwater, decreases GDP improvement, and jeopardizes the accessibility of clean water and nourishment security.

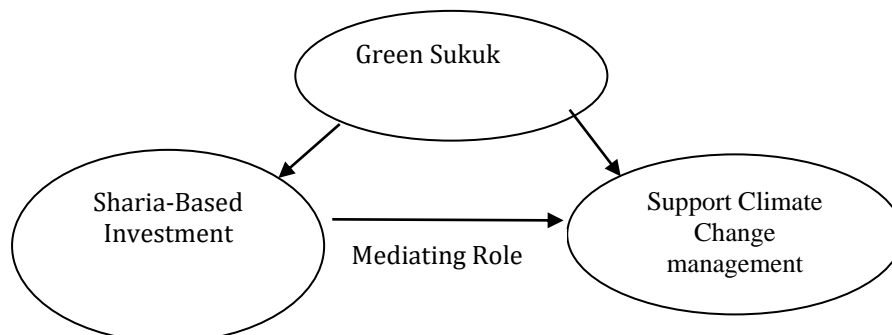
Green vitality, frequently known as renewable vitality, has small emanations. Its sources may be gotten dependably and are continuously show in nature. It is thought to be able to reduce the unfavorable impacts of climate alter by cultivating a greener environment. Each scholastic and office unit at UI has consistently boosted its utilize of imaginative and renewable vitality (EBT) sources in arrange to accomplish the Green Campus. Among these is the Library Building in Depok, West Java, too alluded to as the Precious stone of Information. This building incorporates a green roof and a sun powered board framework set on the roof. The objective of this sun oriented board innovation is to diminish the require of conventional electrical vitality. Besides, the green roof can diminish the warm of daylight and ease the cooling stack of discuss conditioning units by up to 15% (Mutmainnah, S., & Romadhon, M. R. 2023).

When the amount of carbon discharged by financial action is break even with to the sum of carbon extricated from the environment, the result is carbon unbiased. Within the in the mean time, as carbon emanations turn into nursery gasses that keep rising into the sky, the climate emergency happens. The environment gets to be less able to assimilate emanations as the concentration rises, catching warm instead of discharging it, which contributes to more worldwide warming. Concurring to the Nursery Gas Convention, UI has swore to become carbon unbiased in this regard. It is the foremost prevalent bookkeeping strategy utilized by governments and trade officials to control nursery gas emanations. In this convention, the outflows of CO₂, CH₄, and N₂O are calculated utilizing fuel utilization from different exercises, counting those related to power utilization and transportation (Risanti, M. A., dkk 2021).

C. METHOD

This type of research is a Literature Review where looking at and analyzing the results of previous research which in this study the researcher obtained as many as 8 previous studies to be analyzed from 2019-2023, where the article was obtained from the results of national and international publications that were indexed by sinta and indexed by Scopus. In this study, the research framework used will be illustrated in figure 2 below.

Figure 2
Research Thinking Framework



Research Proposition :

Based on the background and literature review above, the propositions in this study are:

P1: Green Sukuk can support in handling climate change in Indonesia

P2: Sharia-Based Investment Can Support Climate Change in Indonesia

P3: Green sukuk as an effort to increase Sharia-Based Investment can support in handling climate change in the Indonesian region

D. RESULT AND DISCUSSIONS

This study discuss green sukuk and sharia-based investment, and also in this study will review and explore the results of previous research, the following researcher displays the results of previous research including the name of the author and the title of the research, which the researcher took in the article indexed by Sinta and Scopus:

Table 2
Research Results Related to the Topic

No	Author's Name and Research Title	Research Results
1	Strategic Conception of Productive Waqf Development through Sharia-Based Investment (An'im Fattach, Maskun)	This collaboration is in arrange to drive all the financial potential possessed by these waqf lands. Once once more, it must be emphasized that the framework of participation with third parties must still take after the sharia framework, both by implies of musharakah and mudharabah as specified prior.
2	Comparison of Performance of Sharia-Based Investment Instruments with Conventional in the Capital Market in Indonesia (Muhammad Nizar, Moh. Mukhsinin Shu'aibi)	The performance of mutual funds owned by conventional and sharia companies has no difference, meaning that investing in mutual funds in two types of companies, both conventional and sharia, has the same risks and benefits.
3	Analysis of the Development of the Sharia Capital Market: Challenges and Opportunities in Sharia Principle-Based Investment (Nila Atikah, Sayudin)	The development of the sharia capital market shows great potential for sustainable economic growth. Although challenges remain, concrete steps in improving regulatory clarity, supporting product innovation, and increasing public awareness can help strengthen the sharia capital market at the global level.
4	Green Sukuk: Sharia-Based Green Investment in Realizing Climate Change Resilience in Indonesia (Angrahita Grahesti, Dzul Fahma)	Green sukuk has great potential to be further developed in Indonesia and green sukuk has played a lot of roles in realizing resilience to climate change which is evident in the development of green projects such as drought

	Nafii'ah, Elyana Pramuningtyas)	management, flood mitigation, and food security.
5	Perception of student motivation in green sukuk investment interest by gender (Shinta Alifia Fahira, Whedy Prasetyo, Hendrawan Santosa Putra)	Green Sukuk is also seen as a way to invest more funds that are not used. Men are more interested in GreenSukuk because of its environmental concerns, while women are more interested in the investment security it offers.
6	The Utilization of Green Sukuk in Facing Climate Change in Indonesia (Siti Mutmainah, Muhammad Ryan Romadhon)	Green Sukuk has the potential to be created in Indonesia. Green Sukuk includes a driving part in realizing feasible improvement and is able to realize green ventures that are strong to climate alter
7	The Role of Green Sukuk in Realizing Sustainable Development (Maurizka Alifia Risanti, Farouk Abdullah Alwyni, Prameswara Samofa Nadya)	The green sukuk that has been issued in Indonesia has contributed to the maintainable improvement objectives, to be specific Objective 7, Objective 8, Objective 9, Objective 11 and Objective 13
8	The Role and Development of Green Sukuk in Development Infrastructure in Indonesia (Jihan Nabila)	The green sukuk that has been issued in Indonesia has contributed to the sustainable development goals in accordance with goal 7, goal 8, goal 9, goal 11 and goal 13.

Source: Data primer

Green sukuk centers on supporting financing due to climate alter. The issuance of green sukuk is anticipated to be an venture instrument that can be utilized to back the state budget shortfall and ecologically neighborly ventures, additionally green sukuk can bolster climate alter, counting expanding people's intrigued in contributing, including sharia-based ventures, conjointly green sukuk is able to supply positive and great support for feasible advancement within the Indonesian locale. Indonesia's commitment to realize emanation lessening targets and climate alter moderation and adaptation is contained within the GHG RAN. GHG RAN can be categorized as a moderation activity that creates within the setting of feasible advancement.

The results of past investigate appear that green sukuk is able and can give great back within the supportability prepare conjointly back with respect to climate alter in Indonesia, usually moreover alluded to within the inquire about conducted by Siti Mutmainah & Muhammad Ryan Romadhon, which agreeing to her Green Sukuk has the potential to be created in Indonesia. Green Sukuk features a driving part in realizing economical advancement and is able to realize green ventures that are strong to climate alter.

The comes about of the consider appear that green sukuk has the potential to be created within the household and international markets and is additionally able to extend sharia-based speculation, and is able to be a bolster in taking care of climate alter that occurs within the Indonesian locale. green sukuk is able to have openings conjointly has the potential to proceed to be created in Indonesia, where the current condition in Indonesia, where the majority of the populace is Muslim, is an added value for green sukuk to be created, and able to reply the issues of climate alter and venture within the Indonesian locale.

E. CONCLUSION

Based on the results of the research and discussion above, the conclusions in this study are:

1. Green sukuk has the potential to be created in residential and universal markets and is additionally able to extend sharia-based venture.
2. Green Sukuk is able to be a bolster in taking care of climate alter that happens in Indonesia. green sukuk is able to have openings additionally has the potential to proceed to be created in Indonesia.
3. Green sukuk has openings conjointly has the potential to proceed to be created in Indonesia

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