

Green Financial Instruments and the Trend of Renewable Energy Sector in India

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Abstract: The shift to clean energy has increased green finance's significance as a major facilitator of sustainable development in India. This study examines the relationship between the growth of renewable energy capacity and the trend of green financial instrument issuance from 2018–19 to 2023–2024. The study uses trend analysis and correlation techniques to evaluate the connection between financial flows and energy transition using secondary data from RBI, SEBI, MNRE, CEA, and the Climate Bonds Initiative. The findings indicate that while non-renewable capacity shows stagnation and decline, green finance issuance has significantly increased in tandem with the steady growth in clean energy capacity. The role of green capital in promoting the growth of renewable energy is reinforced by a strong positive correlation between green finance issuance and clean energy capacity.

Keywords: Clean Energy, Green Finance, Renewable Energy, Green Financial Instrument