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The Reality of Green Financing for Environmental Projects in Algeria and its Role in Achieving the Dimensions of Sustainable Development

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Abstract:

This study aims to highlight the adoption of the idea of green financing and direct it to support green projects through specialized institutions in this field, as it is a modern financing tool that contributes to achieving sustainable development within the framework of the gradual transformation to the green economy, as well as it focuses on one of the important and new topics to preserve the environment. On the environment is one of the negative effects left by polluting projects for the environment. It also contributes to the process of developing and developing the current situation without affecting the capabilities and resources of future generations.

The efforts made by the Algerian government in this field are not effective, and are interspersed with many shortcomings, which helps to emerge many challenges that prevent the effective advancement of this type of green projects.

Key words: green financing, green economy, environmental projects, sustainable development, Algeria

JEL Classification Codes : O13, E62, Q01, Q20

1- Introduction

The trend towards achieving a sustainable green economy has become imperative in light of the growing awareness of the international community about the problems of sustainable development and the aggravation of the scale of environmental issues (increasing greenhouse gas emissions, vegetation removal, global warming, which led to the depletion of natural resources), with the aim of raising the efficiency of using natural resources and reducing pollution, which is also an engine for creating new business opportunities and increasing competitiveness to access markets with green products and thus achieving the Sustainable Development Goals. Green finance is the new model towards foreseeing the future of

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environmentally and climate-friendly green investments, which promises many benefits for current and future generations at all economic, social and environmental levels.

Like other countries in the world, Algeria is striving to move towards a green economy, pay attention to environmental protection and adopt green finance in addition to traditional financing in order to direct credit towards environmentally friendly projects and encourage them. Sustainability is a key pillar of the country's economic modernization vision, which will contribute to economic growth and improve the quality of life through the transition to a green economy.

From the above, the following problem can be posed: what is the reality of green finance in Algeria What are the ways in which it achieves sustainable development

As an answer to the sub-questions, the following hypotheses fall into place:

- Green finance is the financing of projects that contribute to the reduction of emissions and the optimal use of environmentally friendly resources.
- Sustainable development is a development in which the time dimension is the basis, it is necessarily a long-term development; which takes into account the right of future generations to natural resources.
- Algeria is making many efforts to transition to a green economy within the path of achieving sustainable development.

This research aims to:

- Clarification of the nature and means of financing environmental projects under the green economy.
- Preserving the environment and reducing the financial burden on the state budget through the exploitation of environmentally friendly projects.

To achieve the previous objectives, to test the hypotheses, to address and to answer the problem posed, the research was divided into three main axes as follows:

1. What is green finance and environmental projects.
2. What are sustainable development and its dimensions.
3. The reality of Environmental Finance in Algeria.

As for the approach followed, this study will combine three types of approaches. the descriptive approach was followed in describing various aspects of the topic, including green finance and all related concepts about environmental projects. as for the case study approach,

in order to display data and figures on the number of environmental projects and the amounts spent on them, add to that the analytical approach because the study requires the analysis of data and results, with the use of various analysis tools such as directories and statistics.

2-The green finance and environmental projects:

2.2. The concept of green finance:

The term green finance has emerged as a new financing mechanism aimed at economic growth, as green finance can be defined as financing projects that contribute to reducing emissions, optimizing the use of environmental resources and mitigating the effects of climate change, by directing banks and financial institutions towards the most environmentally friendly lending that takes the environmental dimension into account.

Green finance is an ideal option to achieve balanced financing directed towards environmentally friendly projects, reducing harmful carbon emissions and taking into account the environmental dimension. The idea of "green finance" is taking shape through the "greening" of the financial system, financing environmentally friendly projects and reducing environmental risks, and there are many attempts to establish a clear and precise definition, which can be summarized as follows: the group of twenty (G20) defined green finance as "financing environmentally friendly investments, enabling the achievement of environmental benefits at the level of sustainable development". It is also defined as a set of financial products and services, which take into account environmental factors at all stages and processes of borrowing, subsequent monitoring, risk management, encouraging environmentally responsible investments, stimulating businesses and industries that reduce carbon emissions.

The International Finance Corporation (IFC) defines green finance as "investments and loans that finance projects aimed at protecting the environment and preserving its natural resources".

Based on the foregoing, it can be concluded that green financing has pillars and conditions related to the process of Sustainable Development, which must be met by changing the patterns of financing grant operations, so that the environmental dimension is taken into account, meaning that funding becomes directed to environmentally friendly projects, which

help reduce pollution and the proper use of Natural Resources and conservation, in order to achieve the Sustainable Development Goals.

2-2-1- The importance of green finance:

The importance of green finance was first highlighted when the United Nations Environment Programme (UNEP FI) financing initiative was launched in 1992, with UNEP joining a group of commercial banks, to enhance UNEP's awareness of the banking industries, and this initiative is a unique partnership between UNEP and the Banking Group, which is seen as the first idea of green finance (ramdhan, hermouche, & mguimeh, 2019, p. 469).

The importance of green finance is highlighted in the following:

1. green finance provides the necessary financing for investment in the field of Agriculture, which contributes to enhancing the conservation of agricultural areas and enhances their productivity and efficiency.
2. Green Finance raises the level of efficiency in the industrial sector and reliance on renewable energies, which reduces the pressure on natural resources in both the short and long term.
3. It reduces unemployment rates by creating jobs, especially in the agriculture and renewable energy sectors.
4. Redrawing the business, infrastructure and institutional profiles, taking into account the environmental aspect, increasing the share of green sectors in the economy.
5. Directing resources towards environmentally friendly economic sectors, which reduces waste and greenhouse gas emissions.

The importance of green finance can be summarized from the above, that it balances the process of achieving economic growth and reducing environmental pollution. It supports green and environmentally friendly projects, reduces harmful emissions, and pollution in all its forms. The importance of green financing is also evident through raising efficiency levels in the agricultural and industrial sectors, promoting the optimal utilization of Natural Resources, separating and reducing the various impacts on the environment within the framework of economic development, by adopting the financing of green projects in various development sectors (Nabil abd amir, 2019).

2-2-2- Fields of green finance:

Achieving the Sustainable Development Goals at the global level requires investment in areas such as infrastructure, clean energy, water and sanitation, agriculture, energy-saving products and other areas targeted by green finance (Saleh, 2022) .

- Therefore, green finance projects can be summarized as follows:
- Agriculture, fisheries and food security projects.
- Water Resources, fresh water and water security projects.
- Transportation projects that use clean energy and are low in carbon emission and pollution.
- Urban projects that use environmentally friendly building materials.
- Real estate development projects, urban plans and disposal of slums.
- Projects to preserve nature reserves and combat desertification and drought.
- Waste management, recycling and exploitation projects for the benefit of the environment.
- Small and medium enterprises in environmentally friendly fields.
- Digital transformation projects, adopting electronic management, achieving financial inclusion and reducing
- Paperwork, reduce effort, reduce cost and speed of completion (Green finance is a global trend towards sustainable development, 2023).

2-3- The concept of environmental projects

The green economy is one of the new faces of the modern eco-Conservative economy for the purpose of achieving sustainable development, and in recent years, it has become a way of economic recovery aimed at activating the concept of sustainable development by encouraging investment in environmental projects as a means of achieving green growth and reducing poverty.

2-3-1- The relationship between the green economy and environmental projects

The spread of the concept of green economy is a new perspective on the interrelation between the economic dimension and the environmental dimension of sustainable development, as well as the social dimension, as it aims to reduce poverty and achieve well-being. It also provides an opportunity to mobilize support for the achievement of sustainable development

by adopting a new conceptual framework that does not replace sustainable development, but rather enshrines the integration of its three economic, social and environmental dimensions.

The green economy is a concept that includes a set of policies to invest in environmentally important sectors, achieve sustainable development and eradicate poverty, and these policies are the result of a set of approaches, concepts, ideas and economic principles, many of which have emerged in the past twenty years.

As many studies and reports have proven the benefits that the adoption of a green economy can bring, the report of the United Nations Environment Program, issued in February 2011, focused on the inevitability of environmental, economic and social benefits of this economy, the most important of which can be summarized as follows (ESCWA, Green economy in the context of sustainable development and poverty eradication principles, opportunities and challenges in the Arab region", 2011):

- Building a new model of economic development based mainly on large green investments in sectors such as renewable energy efficiency, green infrastructure, waste management and others.
- Creation of large numbers of green jobs " in various economic sectors, such as jobs related to renewable energy generation and energy efficiency improvement, rehabilitation and protection of the ecosystem, ecotourism and waste management...Etc.
- Put an end to environmental degradation, imposed by the unsustainable pace of production and consumption over the past decades, such as reducing greenhouse gas emissions and improving resource efficiency.
- The bottom line is that the transition to a green economy in the race to achieve sustainable development is the inclusion of environmental issues in all current and future activities launch environmental projects) in this way, the level of carbon and total emissions from economic activities decreases, the multiplier effects of these activities promote investment, stimulate economic growth and improve job creation, which contributes to increasing income and reducing poverty.
- The following table shows examples of environmental projects that can be launched upon the transition to a green economy within the framework of the concept of

sustainable development .(ESCWA, The green economy in the Arab region : the general concept and options available to the countries of the region, 2011, pp. 01-04)

Table No. 01: Pathways of transition to a green economy in the context of sustainable development

Start green projects	Reorientation of existing patterns of production and consumption
<p>Creating new social and economic opportunities based on new green activities:</p> <ul style="list-style-type: none"> - Improving trade flows with a focus on - Environmental goods and services - Renewable energy production and distribution - Promoting green curricula and innovative activities - Research and development activities and technology transfer at the regional level - Promotion of entrepreneurship, education and retraining. <p>Expected benefits:</p> <ul style="list-style-type: none"> - Promote near-carbon-free activities - Providing new areas for economic growth - Finding new job opportunities - Finding new sources of income - Employment of young people in new sectors 	<p>Creating new social and economic opportunities by transforming existing economic activities into green activities:</p> <ul style="list-style-type: none"> - Promoting sustainable transport - Transforming construction and design projects into green projects - Conversion of electricity production projects to green projects - Improve the efficiency of water management systems, desalination and distribution processes - Promoting sustainable livelihoods and sustainable agriculture. <p>Expected benefits:</p> <ul style="list-style-type: none"> - Reduction of carbon emissions - Improvement of public transport - Reduction of water scarcity - Improving food security - Development of rural areas and increase of income - Reducing land degradation and

	desertification
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Source: ESCWA, Rola Majdalani, " concepts and principles of the green economy-conceptual framework, global efforts and stories Success", UN Economic and Social Commission for Western Asia programme 15/12/2010, P.06.

2-3-2- Definition of environmental projects

Through what we have discussed earlier, these projects can be defined as every project aimed at protecting the environment, by focusing on the ecological and social systems on which it depends to obtain its resources. (Loutfi, 2005, p. 33) Or " those productive or service investments related to the environment that aim to provide clean products (green products) that do not harm it, and also include preventive projects to avoid pollution of the environment, deterioration or depletion of its resources, or those investments that aim to get rid of its pollutants or in addressing problems that cause it, whether it is related to the environment inside the home, the surrounding environment or the external environment .(Elachouh, 2003, p. 112) Those projects that contribute to economic development in parallel with preserving the environment and working with users and society in general with the aim of improving the quality of life for all parties.. (Guyonnaud & willard, 2004, p. 05)

Therefore, it can be said that a sustainable environmental project is one that takes into account the environmental dimension as a basic pillar of its establishment, and works to integrate and balance economic growth, social rights and environmental management through its business practice.

2-3-3- Classification of environmental projects:

Environmental projects can be classified into the following groups:

- Disaster or emergency projects: they are held in order to get rid of emergency or non-widespread environmental problems in the whole society
- Investments for cleaning the external professional and domestic environment: such as the production of filters and indoor air purifiers from gas, dust and other pollutants; environmental security investments such as the construction of strong barriers to counter floods and to prevent problems of beach erosion and the establishment of mine clearance projects...The focus is on attracting as many free natural cannons as possible (such as sunlight and natural air, and avoiding as much environmental pollution as possible inside the constructed buildings (such as the use of soundproofing)

- New city projects: they are also of great importance because they aim to establish complexes with healthy environmental specifications
- Waste and waste investments: these projects are considered one of the most important and best environmental forms from the perspective of return and cost.

The choice of the composition of an environmental project from among these groups is governed by principles that can be considered instrumental methods and methods and amount to:

- Transparency: that is, disclosure in reports and financial statements of social, environmental and economic impacts.
- Personnel: that is, treat employees and individuals with respect
- Supply chain: ensure that the supply chain personnel and project participants respect the standards and principles of the project.
- Innovation by investing in the development of products and services that use natural resources in a highly efficient way in the long term.
- Strategy: there should be integration between the long-term environmental, social and economic dimensions within the project strategy.

2-3-4- Studying the environmental impact and its relationship to sustainable development

The environmental impact study is one of the modern procedures that have become widely applied in various countries of the world in order to avoid or reduce the negative effects and consequences on the environment and development paths and maximize the positive results of public projects, and therefore the establishment of any environmental project necessarily requires the Environmental Impact Study of this project along with the study of economic, social or technical feasibility, from which the strong relationship and the crucial link between the environmental impact study, achieving sustainable development and preserving the environment, on the other hand, the inclusion of this study increases the profitability of companies, as a German study indicates that the market share of Sony in Germany The global production of TV sets has decreased by 11% compared to an increase of 57% for Nokia due to the publication of the German consumer magazine evaluation of TVs in which Nokia's devices are considered the most environmentally friendly (Loutfi, 2005, p. 34) , Which improved its market share and, consequently, the profitability of the company.

3-The sustainable development and its dimensions

The Brundtland Commission in 1987 established a definition of Sustainable Development (UN Environment Committee), sustainable development in the process of development and development of the current situation without affecting the capabilities and resources of future generations. (fellak & Selmi, 2016, pp. 92-94)

3-1- Objectives and characteristics of sustainable development

The Sustainable Development Goals can be summarized as follows:

- Reducing the rate of poverty, by providing all resources to all the world's population
- Quality education and lifelong learning
- Providing health centers, which helps to reduce diseases and support the health of the population
- Food security and healthy nutrition through the support of Natural Resources
- Creating jobs, livelihoods and equitable growth
- Sustainable management of Natural Resources
- A good global environment and long-term financing through the effective management of environmentally friendly renewable energy .(Alliance opérative International, 2014, p. 02)

3-2- Characteristics of sustainable development:

- It is a development in which the time dimension is the basis, it is necessarily a long-term development
- To take care of the right of future generations to the natural resources of the vital sphere of the planet
- Meeting the basic needs of the individual human being in the first place
- Preservation of the biosphere in the environment through its basic elements such as air, water, soil and Natural Resources
- An integrated development in which the human side and its development are its first goals, it takes into account the preservation of social values and the psychological stability of the individual and society
- It is a development that does not simplify the environmental organization for ease of control, it takes into account the preservation of the genetic type

- Sustainable development is an integrated development based on coordination between resource use policies, investment trends, technological choice and institutional form, which makes them all work with understanding and regularity

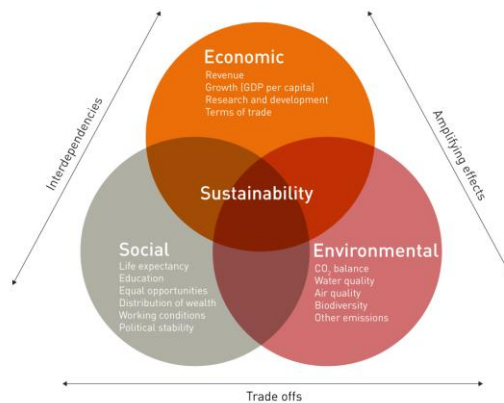
3-3- Dimensions of sustainable development

The biggest challenge of the sustainable development process is to address and achieve its three dimensions: economic, social and environmental (Rajab & Mhana, 2009, pp. 491-492), Simultaneously and in a balanced way (and there are those who add to these dimensions the institutional dimension and the technological dimension) by taking advantage of their interaction, and at the same time the disadvantages of this interaction are avoided.

Before addressing the dimensions of sustainable development, it is necessary to mention the three pillars on which sustainable development is built, according to the report of the world Commission for development and the environment, namely (economic growth, environmental protection and Community Progress)

Figure 01: dimensions of sustainable development

The three dimensions of sustainability and a selection of indicators



Source: own presentation, based on Passet (1979)
www.economiesuisse.ch

Source : <https://www.economiesuisse.ch/en/dossier-politics/sustainable-development-includes-several-dimensions> 13/04/2024 at 16:21

3-4- Sustainable Development Goals

The basic goal of sustainable development is to meet human needs and achieve social welfare in the long term, while preserving the human and natural resource base and trying to reduce

environmental degradation, and in order to achieve this, a dynamic balance must be reached between economic and social development on the one hand, resource management and environmental protection on the other, and its most important goals can be summarized as follows (Abderrahmene haiti & Ibrahim mehanedi, 2008, p. 13):

- Achieving a better quality of life for individuals: sustainable development, through planning processes and the implementation of development policies, attempts to improve the quality of life of individuals in society, socially, economically, psychologically and spiritually, by focusing on qualitative aspects of growth, not quantitative, in a fair and acceptable manner.
- Respect for the Natural Environment: Sustainable Development focuses on the relationship between the activities of individuals and the environment and deals with natural systems and their content as the basis of human life, because it is simply a development that comprehends the sensitive relationship between the natural environment and the built environment, and works to develop this relationship to be a relationship of integration and harmony.
- Enhancing individuals 'awareness of environmental problems: by developing individuals' sense of responsibility towards environmental problems and urging them to actively participate in creating appropriate solutions for them through their participation in the preparation, implementation, follow-up and evaluation of sustainable development programs and projects.
- Achieving the rational exploitation of natural resources: sustainable development deals with natural resources as limited resources, so it prevents their depletion or destruction and works to use and employ them in a rational way.
- Linking modern technology to serve the goals of society: this is achieved by educating the population about the importance of various technologies for the development process, and how to use the available and new ones to improve the quality of life of society and achieve its desired goals, without resulting in negative environmental risks and impacts, or at least that these risks and impacts be controlled in the sense of having appropriate solutions.
- Making an appropriate and continuous change in the needs and priorities of society: this is done in a way that suits the possibilities of society and allows achieving a balance through which it is possible to activate economic development and control all environmental problems and develop appropriate solutions to them.

3.5 challenges and opportunities for the implementation of the Sustainable Development Goals

according to UNDP estimates, there is an annual gap of USD 2.5 trillion needed to achieve the Sustainable Development Goals, while the implementation of renewable energy solutions requires additional net investments of USD 1.4 trillion, or approximately USD 100 billion per year on average between 2016 (in which the Sustainable Development Goals were adopted) and 2030, according to the International Renewable Energy Agency (Irena).

On the other hand, a recent report by the World Economic and Climate Commission highlights that switching to a sustainable low-carbon approach to growth could lead to an economic boom of 26 trillion dollars until 2030, and help create more than 65 million new jobs. This increased awareness has fostered the development of new lists of assets that can be classified under the umbrella of sustainable finance. The activities classified under this category take into account environmental and social considerations. Other subcategories or related categories include climate finance, ethical finance, responsible finance, and green finance.

4-the reality of Environmental Finance in Algeria:

Algeria has worked to provide various sources of financing aimed at protecting the environment, which can be divided into two main sections:

4-1- Sources of local financing for environmental projects (les opérations financières relatives au projet "contrôles de la pollution industrielle")

There are many sources of financing for environmental projects in Algeria, in order to prepare a financing system that is consistent with the polluter-pay principle of "who pollutes pays", these sources are: the general budget: represented by the management budget and the processing budget.

The government has also embarked on the completion of an action plan in the economic recovery program in the triennial period 2001-2004. this business plan aims to carry out substantial work to lay the foundations of ecological dynamics on the one hand and strengthen the government program to support economic recovery. the estimated cost of the works in total is about 970 million US dollars over three years (about 320 million dollars a year), and this amount includes 50 million US dollars in investments, the latter:

- Water networks: 09 billion DZD.

- Protection of Steppe areas and basins: 8,2 billion DZD.
- Waste treatment: 5,5 billion DZD.
- Pollution Control: 03 billion DZD
- Creation of the territory: 1,7 billion DZD.
- Biodiversity: 1,2 billion DZD.

According to the course of the green tax reform adopted by Algeria, a set of environmental taxes and fees have been approved as an attempt to put an end to various types of pollution, especially air and water pollution, noting that the first environmental tax was introduced through the finance law of 1992, where the fee related to colored or Hazardous Activities (TAPD) was imposed, but the embodiment of Environmental Protection as an economic tool has only been done over the past few years, as several tax arrangements have been introduced through the finance laws for the years 2002, 2003, 2000, and the following are the most important types of these fees :

4-1-1- The fees for solid waste are as follows

- Family waste evacuation fee (TEOM): the value of the uterus for household waste ranges from 640 DZD to 1000 DZD / year per family.
- Incentive fee for non-storage of waste related to medical activities: the amount of the fee is estimated according to the finance law of the year 2002 at: 24000 DZD /ton.
- Incentive fee for non-storage of special industrial waste: the amount of the fee is estimated according to the finance law of 2002 at 10500 DZD / ton, and gives the user a period of three years starting from the date of approval of the fee to complete the equipment to ensure the disposal of waste.
- Drawing on plastic bags: this drawing was sent in accordance with the finance law of 2004, and its container includes all plastic bags, whether locally produced or imported, and the amount of the drawing is estimated at: 10.5 DZD/kg, and the output of the drawing is directed to the National Fund for Environment and Pollution Control.

4-1-2-drawing on polluting and Hazardous Activities to the environment (TAPD)

This fee is subject to classified institutions whose exploitative activity results in risks and disadvantages that may have negative effects on public health, hygiene, security, agriculture, nature protection and the environment, the preservation of monuments and landmarks as well

as tourist areas, and the amount of this fee has been re-estimated within the finance law of 2000, where it was estimated at : 9000 DZD for establishments classified within the activities subject to the permit, 20000 DZD for establishments classified within the activities subject to the license of the chairman of the municipal People's Council and 120000 DZD for establishments classified as activities subject to the license of the Ministry of territorial development and environment.

4.1.3. Industrial liquid emission charge

This fee was introduced by the finance law of 2003, where the supplementary fee on industrial wastewater was established and is calculated in the same way as the supplementary fee on air pollution and 30 percent of the amount of this fee is allocated for the benefit of municipalities.

4.1.5. Royalty for maintaining water quality:

This royalty is included in the finance law of 1993, and it is a royalty levied on the account of the National Fund for the integrated management of Water Resources and collected at water production and distribution institutions (municipality, state and regional), and in general at public and private institutions that own and exploit wells or excavations, and these royalties are directed to ensure the participation of said institutions in:

- 04% of the amount of the bill for drinking, industrial or agricultural water for the northern states.
- 02% of the amount of the potable, industrial or agricultural water bill for the following southern states: El- aghawat, Ghardaia, El-Wadi, Tindouf, Bachar - Ilizi, Tamenrrast, Adrar and Biskra.

4-2- Local institutions and funds (Environment, 1999, p. 26) :

The Algerian government has also taken care of the establishment of the following institutions and funds within the framework of the transformation of environmental projects:

4.2.1-environment and Pollution Control Fund (FEDEP) :

This fund was created to help institutions freeze their projects aimed at reducing pollution and damage at the level of the country's political points, and encourage them to improve their environmental and economic performance, the environment and Pollution Control Fund was established within the supplementary finance law of 2001, and is funded by the following:

- The fee for polluting or dangerous activities by 75%.

- The fee for inducing the branching of health-related waste by 75%.
- The surcharge on air pollution of industrial origin on the quantities emitted exceeding the maximum value of 75 percent of the fee.
- The fee on premium and ordinary gasoline and lead is 50 percent.

As for the subsidies that the fund can grant, they are generally based on:

- Assistance related to the transformation of existing facilities is cleaner technologies, and this is in accordance with the principle of prevention.
- Financing activities related to upstream Pollution Control.
- Financing activities for monitoring the state of the environment and expenses related to urgent interventions in case of accidental pollution resulting from an accident
- Encourage investments that integrate clean technologies.
- Compensation for loans granted to the fund and subsidies directed to activities related to pollution control construction realized by private and public dealers. The fund's assistance is generally granted to public and private economic units, especially industrial ones, which undertake to develop pollution control activities of the most beautiful environmental protection, bodies that develop monitoring activities in the field of the environment, study bureaus that prepare field studies, institutions and associations that carry out awareness-raising and educational activities in the field of the environment. As for the fund's Appropriations, they cover the fields of pollution control and control, and this is through activities related to the conversion of existing facilities to cleaner technologies. studies and research in this field relate to studies completed by specialists and national and foreign study offices related to pollution, especially related to waste management, natural diversity, protection and promotion of sensitive areas, sensitization and environmental education.

4.2.2. National Fund for Sustainable Development and development (FNAT)

This fund was established by the finance law of 1995, and is directed to grant bonuses for the development of the territory and classification assistance activities related to:

- The creation of Public Enterprises consisting of at least ten permanent workers in the promotion zones in areas related to production activities.
- The creation of Public Enterprises consisting of at least five permanent workers in the same areas and in the spheres of services of the sublime Type (several communication technologies) .

As for the bonuses for the establishment of the territory, they relate to:

- Studies and research carried out by research institutes or offices of studies related to the field of territorial and environmental development.
- Projects and restructuring of urban tissues, especially in coastal areas.
- Economic projects that use clean technologies.

4.2.3. Processing and Territorial Development Fund (CEAT)

The fund represents a new tool created for the implementation and implementation of programs and support activities related to the national policy for the development of the territory and the environment, especially balanced regional development, by helping to transform the major grassroots structures, providing local associations and economic aid and various necessary assistance in the framework of these activities.

4-2-4-National Fund for the protection of beaches and coastal areas (FNPLZC)

It was created by the positive finance law of the year 2003, in order to finance the following operations:

1. Studies and research on the protection of beaches and coastal areas.
- 2 funding of preliminary studies and expertise in landscape restoration.
3. Financing of anti-pollution activities to protect and improve beaches and coastal areas.
4. Contribution to expenses related to emergency intervention in case of sudden marine pollution

4-2-5-fund for combating desertification and development of pastoral and steppe areas (FLDDPS)

It was established in accordance with the supplementary finance law of 2002, and an initial financial amount was allocated to it estimated at: 500 million dinars, and it is subordinate to the Ministry of Agriculture and Rural Development, the most important activities that it will support and finance are those related to:

- Combating desertification, maintenance and development of land.
- Development of animal production in Steppe circles.
- Evaluation of poultry production.
- Protection of livestock breeders ' incomes and maintenance of pastoral areas.

4-3- Sources of international financing for environmental projects (Procédures relatives au projet "blanche Algérie", 2005)

The rising costs of financing environmental protection projects necessitated the need to search for sources of external environmental financing, and this is already what happened, as an international conference on the launch of the implementation of the national plan for environmental activities and sustainable development (PNAE-DD) was held at the Eurasian hotel in Algiers on June 17 and 18, 2002, with the participation of many international banks and funds, including:

- Global Environment Fund FEM.
- The Arab Fund for economic and social development FADES
- The Saudi fund for development FSD.
- Arab Monetary Fund FMA.
- The World Fund for agricultural development FIDA.
- World Bank;
- European Investment Bank BEI
- African Development Bank is BAD.
- Islamic Development Bank BID.

4.3.1-the European Investment Bank BEI

It allocated 34 percent of its funding in the Mediterranean basin in 2001 to projects related to environmental protection, in addition to the total loans granted by the European bank to Algeria in 1997, which were estimated at: 733 million euros, compared to 869 million euros for Tunisia and 977 million euros for Morocco.

4.3.2-the Arab Fund for economic and social development (FADES)

As for this fund, its representative confirmed that its body pays increasing attention to all projects aimed at protecting the environment, by supporting all activities with a positive impact on the environment and granting 5.1 billion dollars to Algeria to finance several achievements, as well as Italy has provided assistance estimated at: 7 million euros to Algeria to finance four environmental projects, as proposed by donor countries known for their healthy environment, including Austria, Switzerland and Sweden, to make Algeria benefit from a series of high-tech solutions in the field of pollution.

4-3-3 - the Islamic Development Bank "BID"

Algeria has granted a loan of 32.07 million dollars to contribute to the financing of the irrigation project "oases of wad rig", according to a statement of the bank that this loan will

allow financing the works of drilling deep wells and the irrigation and drainage network and the purchase of equipment necessary for the completion and installation of this project, it should be noted that the amount of funding granted by the Islamic Development Bank to Algeria since its establishment in 1975 was estimated at : 2.2 billion dollars, of which 1.7 billion dollars was allocated to finance commercial operations, while the rest for development projects.

4.3.4. the World Bank has financed the following projects

Industrial pollution control (CPI): due to the public health problems observed in the state of Annaba, the Algerian authorities decided, starting in 1995, with the support of the World Bank, to focus their efforts in order to reduce pollution in this region, through the establishment of the project "Industrial Pollution Control", and Algeria benefited from a loan of 78 million US dollars from the World Bank, this was done under the agreement ratified at the Government Council on 1996/09/11 and put into effect in June 1997/19 and distributed as follows :

- National Fertilizer Corporation ASIDAL: 35 million USD.

- National iron and Steel Corporation ENSIDAR :32,5 million USD.

Ministry of territorial development and environment MATE :10,5 million USD.

This project includes two main elements: the first element is sensitive to institutional and legal support, and the second element is related to the investment aimed at providing special equipment to combat pollution within the phosphate and nitrogen fertilizers production complex, and the Iron Industries Complex in Annaba. The project was completed in January 2005, and several results were recorded:

- With regard to the institutional and legal framework in the field of environmental management: it has been improved thanks to the implementation of a coherent project on education and awareness, the acquisition and use of means to measure pollution Through Environmental Laboratory Equipment, the air quality measurement network in Algiers and Annaba, in addition to a series of analytical works that contributed to the preparation of legal texts that have been adopted.

- As for the investment component: the direct results recorded after the activities that took place inside the asmedal Foundation, led to a significant reduction in the emission of sulfur oxide, nitrogen oxide and various particles in the atmosphere, thereby improving the air

quality in the state of Annaba and, consequently, an improvement in public health. After the completion of the project, the operations control unit of the World Bank conducted an independent evaluation of the project, which concluded that the latter had satisfactorily achieved the objectives set for it. In addition to the above, the World Bank has funded the following studies and programs:

- Study of the National Environmental Business program: 600,000 US dollars.
- Studying the plans, which cost almost a million dollars, related to the following: a model scheme for Integrated Water Management
- The feasibility of resupplying the aquifer with a membrane.
- Feasibility of extensive treatment by creating basins to disinfect dirty water in the upper plateaus.
- Supply of supplies and equipment to public institutions for potable water and drainage channels and the completion of dirty water purification plants in Mughniyeh, Tlemcen and Setif, through loan No. AL2821 worth 250 million dollars.
- Repair of drinking water supply networks in ten cities and 22 stations for disinfection of dirty water, by loan No. AL3743 in the amount of 110 million dollars.
- Institutional strengthening for the creation of dam basins, which cost an estimated amount of about 19 million dollars.
- Rural employment in the areas located in the west of Algeria, through a loan of 89 million dollars in 1997.

While the Global Environment Fund has funded the following:

- The western Mediterranean region: a donation of 7 million dollars out of a total cost for the region of 20 million US dollars.
- The National hangar of the hall: a donation of 7 million US dollars.

4-3-5- Tthe United Nations Development Programme (pnud) : it has funded (Procédures relatives au projet "blanche Algerie", 2005):

Strengthening institutional and laboratory procedures and the formation and development of a system for collecting and disseminating information: a donation of USD 900,000 complements the total cost of the project estimated at USD 1.8 million.

Follow-up to the global treaty on climate change: a donation of USD 300,000

5-conclusion:

The large-scale transformation towards a green economy requires a continuous focus on supporting and continuing the growth of the green finance market globally, and further developing these key financial instruments as promising alternatives to traditional sources of financing. The use of the term green finance has also increased increasingly due to its important role in achieving the Sustainable Development Goals, reducing the risks of climate change and preserving the environment. Algeria has made many efforts to transition to a green economy within the path of achieving sustainable development through the completion of many sustainable projects and programs and relying on a set of mechanisms to finance this economy, but these mechanisms are still not fully operational and are tainted by many shortcomings, which contributes to the emergence of many difficulties that prevent the promotion of environmentally friendly green projects. These include the lack of appropriate and comprehensive strategies for financing environmentally friendly projects in various sectors such as agriculture and tourism, which are witnessing a delay in the field of environmental sustainability, the scarcity of green projects and the weak role of the private sector in adopting this type of projects, the absence of green banking and green bonds as methods of financing green economy projects at the level of most Algerian banks and finally the lack of research related to renewable energies and their non-application on the ground despite the availability of Natural Resources.

There are a number of recommendations that can strengthen dependence on green finance, including:

1. Creating financial markets specialized in financing green projects, and providing the appropriate infrastructure for trading financial instruments represented by stocks and green bonds.
2. Promote awareness of green banking activities.
3. Strengthen the appropriate legislative and legal structure to support green products.
4. Work on finding solutions to reduce the risks of transformation arising from the loss of investments in carbon-dependent sectors, which may result due to the fight against climate change, affecting the priorities of consumers and investors with regard to environmentally friendly products.
5. Adopting national financing programs with interest rates and preferential terms to support green projects, especially micro, small and medium enterprises.

6. Tax carbon products and direct these revenues towards green projects.

These recommendations come in light of the existence of many obstacles and difficulties facing some countries in moving towards green finance, and how to assess the impact of environmental risks and climate change in general, and their impact on various sectors, including the financial sector. Therefore, the adoption of economic policies and programs plays an important and pivotal role in the development of the financial sector in order to keep pace with those environmental changes, which are supposed to contribute to reducing them in the direction of achieving sustainable development goals.

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