

Green Financial Development, Institutions, and Sustainable Economic Growth

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This paper examines the impact of green finance development on sustainable economic growth. Using a two-step dynamic System Generalized Methods of Moments for a panel of 54 African countries over the period, 2004 - 2022, we provide interesting empirical findings. Our results show that green financial development has a significantly direct positive effect on sustainable economic growth. We find that stronger institutional quality improves sustainable economic growth. Moreover, the quality of institutions serves as a moderating mechanism through which green financial development affects sustainable economic growth. This paper shows the important policy implications of promoting sustainable growth through green financial development and better institutions in the African economies.

Keywords: *Green finance, Institutional quality, Sustainable economic growth*

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