



## Leveraging Green Financial Resources in the Fight to Overcome Regional Disparities

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### Abstract

Green finance can serve as a critical catalyst for sustainable development, especially in emerging economies where financial innovation can facilitate environmental and economic convergence. This special session will explore the key role of Green Dedicated Investments (GDI) in driving growth of key sectors, with a particular focus on SMEs and regional disparities. By examining the mechanisms through which these investments contribute to environmental goals and socio-economic integration, we aim to shed light on their transformative potential. Expected presentations will focus on sectoral challenges, opportunities for cross-border cooperation, and the policy frameworks needed to scale up green financing solutions in emerging markets.

The growing focus on sustainability is generating increasing interest in green finance, which is a source of funds specifically earmarked for environmentally sustainable projects. These funds represent a significant opportunity for regions facing economic and social disparities. By channelling green investments to underdeveloped or economically challenged areas, governments, international organisations and private investors can address regional inequalities and environmental challenges at the same time.

Green finance includes green bonds, loans and grants to support projects such as renewable energy development, sustainable infrastructure and green technologies. These GDI's can help bridge the gap between rich and disadvantaged regions, offering economic growth, job creation and long-term resilience. For example, investing in renewable energy infrastructure in a less developed region not only creates jobs, but also provides clean, affordable energy that can stimulate further economic activity.

A key benefit of green finance is that it is consistent with global environmental goals, such as reducing carbon emissions and combating climate change. Therefore, economically underdeveloped regions can benefit from additional international support and funding to meet climate objectives. This creates a win-win scenario as regional disparities can be addressed while contributing to global sustainability efforts.

However, challenges remain. Regions with fewer resources often struggle to attract significant green investments due to lack of infrastructure, technical expertise or institutional capacity. This highlights the need for concerted policy efforts, where national and international bodies work together to ensure equal access to green finance for all regions. Capacity building programmes and targeted incentives can help bridge this gap, ensuring that green finance benefits the most disadvantaged areas.