

The Economic Integration Strategy of Green Finance and Sustainable Development

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Abstract:

As global climate, resource, and environmental challenges intensify, green finance, as an engine for economic green transformation, has attracted much attention. This article aims to deeply analyze the integration strategy of green finance and sustainable development from an economic perspective, theoretically explore its driving mechanism, and explore implementation paths in practice, with the expectation of contributing unique insights. I hope these studies can provide valuable insights and references, and aims to achieve sustainable development goals.

Keywords: Green finance; Sustainable development; Economic integration; operational research

1.Introduction

1.1 Background of Green Finance in Canada

Canada has adopted a comprehensive and effective strategy in promoting the economic integration of green finance and sustainable development. Solid policy and institutional foundation: By establishing a Sustainable Finance Action Committee, setting clear classification standards and information disclosure requirements, the Canadian government provides solid policy support and institutional guarantees for green finance, ensuring market transparency and promoting the activity of green investment. Market vitality and product innovation: “The active participation of financial institutions and the diversified innovation of green financial products not only enrich the choices of investors, but also stimulate market vitality and promote the vigorous development of the green economy”(Roussel,2024). International

cooperation and standard alignment: Canada’s positive performance on the international stage not only enhances its global influence, but also ensures the international recognition and market competitiveness of green finance policies by aligning with international standards, paving the way for the introduction of international capital and technological support. 4. Technology leadership and digital transformation: The deep integration of technological innovation and digital transformation has injected new impetus into the development of green finance, improved the efficiency of green asset identification and the quality of financial services, provided customers with more convenient and personalized green finance service experiences, and further expanded the boundaries of the green finance market.Through the synergy of these four pillars, Canada has successfully promoted the deep integration of green finance and sustainable development, laying a solid foundation for sustainable economic growth.

1.2 The purpose of green finance and sustainable development in Canada

Promote capital flow towards environmental protection and sustainable development: Guide funds to invest in projects such as environmental protection, energy conservation and emission reduction, and renewable energy development to drive the optimization, upgrading, and transformation of the economic structure, and achieve a greener development path.

Reduce environmental related risks: Encourage enterprises to strengthen their environmental management systems, reduce legal disputes caused by environmental pollution, and mitigate production stagnation caused by resource scarcity, thereby enhancing their long-term competitiveness.

Motivate technological innovation: Drive enterprises to continuously explore and apply advanced environmental protection technologies, aiming to address environmental challenges while driving technological leaps throughout society and opening up new areas of economic growth.

1.3 The Significance of Green Finance in Canada

Refers to it refers to the financial sector's basic policy orientation towards environmental protection, integrating environmental considerations into investment, incorporating potentially benefits, costs, and risks related to environment into daily operation. Its purpose is to assist in environmental optimization, climate response, and efficient of resources. Green finance covers the wide range green transportation, and construction, provide invest and finance, operational support, risk manage, and other services. It also engages on functional businesses such as green insurance finance. finance helps capital flow towards green industries, promotes sustainable grow of green economy and finance, and benefits environmental protection and economic society. There are significant differences between traditional finance and green traditional finance in multiple dimensions

1.4 Research Structure

This study begins by describing the research background, focusing on global environmental issues and sustainable development trends, with a particular emphasis on Canada's specific situation in this context, which naturally leads to a deeper exploration of Canada's green finance and sustainable development. The research aims to reveal its practical significance, which includes profound impacts on multiple aspects such as the economy, environment, and society. The entire research content will be carefully divided into the following components.

Introduction

Canada is actively addressing global challenges through green finance and sustainable development strategies, aiming to gain a deeper understanding of its current situation, operation, effectiveness, and positive effects. These efforts have enhanced its international image, promoted resource utilization and economic growth, created employment, and provided reference for the world.

Literature Review

Green finance aims to promote environmental improvement and covers investment and financing in various fields of projects. Its global development requires the participation of all parties, from concept to practice. Canada has policies to promote the development of green finance, such as guidance on green bond issuance, which are constantly optimized. The theory of sustainable development emphasizes the harmonious progress of the economy, society, and environment. Canada has both achievements and challenges. Green finance and sustainable development promote each other, and green finance helps to implement sustainable development projects and transform the economy. The concept of sustainable development provides direction for green finance, and the two are closely related.

Discussion

The implementation of Canada's green finance policy has achieved results, but there are also areas that need improvement, such as the need to increase the scale and market vitality of green bonds, pay attention to the stability and fairness of renewable energy subsidy policies, and improve the carbon emissions trading system; The sustainable development strategy is effective in the fields of energy, transportation, and agriculture, but also faces challenges; The green finance market is developing, but its scale, depth, and investor awareness need to be strengthened. There are opportunities for the integration of financial innovation and sustainable development, but product design and regulation also need to be improved. At the same time, it faces challenges such as high technology costs, policy and regulatory coordination, and low social awareness participation. It is necessary to increase investment, strengthen departmental coordination, and enhance public awareness and corporate motivation.

Policy guidance and support strategies: Develop comprehensive policies covering all aspects of green finance, increase financial support and subsidies, promote innovation, strengthen supervision, and enhance public awareness and participation. Market mechanism construction strategy: Improve market rules, cultivate green financial markets, encourage product innovation, establish pricing mechanisms, and promote cooperation and competition among market participants. International cooperation

strategy: Actively participate in international cooperation, share experiences with various countries, participate in the formulation of international rules, carry out cross-border project cooperation, and promote the development of global green finance.

Conclusion

The Canadian green finance market shows a relatively positive trend in terms of maturity and development potential. Currently, the categories of green products are becoming increasingly diverse, providing investors with diversified options. However, compared to some developed countries, Canada still has room for improvement in terms of the completeness of its regulatory policy framework, market transparency, and standardization of green financial products.

Recommendations

Based on the thorough analysis of this study, we have put forward a set of forward-looking proposals for the field of green finance and sustainable development in Canada. These proposals aim to promote the robust growth of green finance through innovative policy guidance and cutting-edge technological applications, while exploring its close integration with the current traditional industrial system. By building a clear and logically rigorous research framework, this study comprehensively interprets the current situation and future direction of green finance and sustainable development in Canada, aiming to clarify the key significance and far-reaching role of green finance in promoting the sustainable development of Canada's economy and society. Our research not only provides profound insights into the positive effects of green finance, but also contributes valuable reference examples and inspiring ideas for the practical operation of green finance and sustainable development in Canada and even globally."Green finance is becoming an important market-based instrument"(Fan,Peng,Lin,et,2024).

2.Literature review

2.1 The definition and connotation of green finance

Refers to it refers to the financial sector's basic policy orientation towards environmental protection, integrating environmental considerations into investment , incorporating potentially benefits, costs, and risks related to environment into daily operation. Its purpose is to assist in environmental optimization, climate response, and efficient of resources. Green finance covers the wide range green transportation, and construction, "provide invest and finance, operational support, risk manage, and other services"(Song,Hakimov,Noman,2024). It also engages on

functional businesses such as green insurance finance. Its core elements focus on the following aspects:

Green investment: This is the most direct manifestation of green finance, which provides financial support for project on the fields of environment protect, clean transportation, etc., guides social capital to flow into green industries, and promotes green economy of the development. **Risk assessment and management:** In the investment process of green financing, "it necessary for fully evaluate the environmental risks to the project and develop corresponding risk management measures to ensure the safety and sustainability of the investment"(Gao,Hua,Huo,2024).

Financial product innovation: Order to meet demand for green investment, financially institutions need to continuously innovate financially product, to providing investors with more investment choice. **Policy support:** "Government policy support and guidance are important guarantees to the development for green finance, including fiscal subsidies, tax incentives, green credit policies, etc"(Wu,Li,Qin,2024). **Information sharing and transparency:** Establishing a green finance information sharing platform to improve transparency helps An information platform that enhances transparency can enable financial institutions to have a clearer understanding of the environmental benefits or risks for projects, and also help investors make better investment choices.

Green finance is actually a model of innovation in the financial field, deeply integrating environmental protection and social responsibility. Financial decisions need to carefully evaluate the actual situation and risks to promote wise choices. Through innovative tools such as green loans and bonds, green finance injects strong financial momentum into environmental protection, energy conservation, and sustainable development projects. This process also relies on the solid support of policies and regulations. The government not only points out the direction of progress, but also provides incentives. It strengthens the responsibility of financial institutions and jointly builds the foundation for the green finance market. Moreover, green finance has a synergistic effect on SO2 and carbon reduction, but not on reduction of dust and carbon emissions. "Our findings suggest that green finance reduces emissions by improving corporate energy utilization efficiency"(Nguyen,Oanh,Bui,2024).

Overall, finance helps capital flow towards green industries, promotes sustainable grow of green economy and finance, and benefits environmental protection and economic society. Therefore, enterprise green financing difficulties, low capital allocation efficiencies, "and imperfect green finance market developments have resulted in a lack of momentum in China's green economic transition,

which has been affecting” (Liu,Peng,Wang,et,2024). There are significant differences between traditional finance and green traditional finance in multiple dimensions. The following is a specific analysis:

Traditional finance mainly focuses on the liquidity and profitability of funds, with the goal of maximizing economic benefits, “while relatively neglecting issues such as environmental protection and resource utilization. Green finance has a crucial role in reducing pollution emissions”(Jiang,Wang,2024), promoting cleaner production, green transformation and is conducive to creating a win-win situation for economic development and environmental protection.

Green finance: Focusing on ecological and environmental benefits, emphasizing and resource conservation. In investment and financing decisions, the project on the environment fully considered, and the growth of economic benefits will be considered based on this premise. Traditional finance: Its operation and development are less dependent on specific policy and fiscal support. Green finance: Due to its emphasis on environmental protection and resource conservation, it requires more policy and financial support. For example, “the government may provide tax incentive. That the green finance pilot policy promotes corporate environmental social responsibility”(Xie,2024).

Traditional finance: mainly focuses on credit risk, market risk, and other traditional financial risks. Green finance: In addition to traditional financial risks, green finance needs to guard against environmental risks, such as potential impacts of climate change, natural disasters, etc. on projects. Traditional finance: Its financial products mainly revolve around traditional deposits, loans, stocks, bonds, etc.

Traditional finance mainly focuses on economic benefits, with relatively indirect impacts on society and the environment. Green finance: By supporting green projects and industries, it directly promotes environmental protection and resource conservation, and has significant positive social. The increasing severity and resource and environmental issues, green finance has become an international trend and a focus of attention for governments around the world. In contrast, traditional finance is less involved in these global issues. Traditional finance: usually involves the financing and allocation of funds through financial institutions cover multiple fields such as banking, securities, and insurance. “Green finance became a vital tool in creating a pathway to sustainable development, as it connects the financial world with environmental and societal benefits”(Hosam,2024).

In addition to traditional financial institutions, it may also involve the participation of multiple parties such as government, enterprises, and non-governmental organi-

zations, forming diversified implementation methods and mechanisms.

In summary, there are between green finance and traditional in terms of core goals, policy support, risk management, product innovation, and social impact. These differences enable green finance to better support a resource conservation.” When ignoring the regulatory role of green energy and green production, green finance negatively impacts green growth” (Quaye,Tunaru,Tunaru,2024). This result is entirely opposite when considering the regulatory role of green energy and green production, green finance impacts green growth positively.

2.2 The Development History and Current Situation of Green

Finance: The develop process for green finance in Canada may be summarized as following stages: Preliminary exploration stage (1980s to 1990s):

During this period, the world Canada was no exception. The develop of green financial in Canada are still in initial exploration stage, “mainly focusing on the financial impact of environmental issues and how financial institutions can integrate environmental protection concepts into their daily operations”(Kharb,Shri,Singh,2024).

Some Canadian financial institutions have begun, but grow of green finance in this stage is relatively slow and has not yet formed a systematic green finance policy and practice.

Policy promotion stage (2000s to 2010s):

Entering the 21st century, global environmental issues have attracted much attention, and the Canadian government has actively responded by considering green finance as a development priority. The govern has issued a series for policy documents aimed at accelerating the vigor develop of green finance in Canada. For example, government has clearly stated its support for financial institutions to deepen their involvement in the green sector. For example, the Canadian government supports financial institutions in conducting green finance businesses, encourages businesses to invest in environmental projects, and provides policy support such as tax incentives. At this stage, Canada’s green finance products and market began to gradually enrich, including green bonds, green funds, and so on.

Rapid development stage (2010s present):

Entering 21st century, global environment issues have attracted much attention or Canadian government has actively responded by considering green finance as a development priority. The govern has issued a series of policy documents aimed at accelerating the vigorous development of green find in Canada. For example, the govern-

ment has clearly stated its support for financial institutions to deepen their involvement in the green sector. The Canadian government has established a Sustainable Finance Action Council responsible for coordinating and guiding green finance efforts across the country.

At the same time, Canadian financial institutions are actively participating in and launching more innovative products and services. For example, Canadian financial institutions have started issuing products that have built a solid risk protection network for e-commerce. Environmental projects: We have also launched green insurance products to provide risk protection for environmental protection projects. “Achieving sustainable development goals requires serious attention to green finance, which provides environmental benefits” (Gharleghi, Shafiqhi, Nawaser, 2024).

Driven by green finance, Canada’s green industry has also experienced rapid development. More and more companies are paying attention to environmental issues and incorporating them into their daily operations.

Green finance innovation stage:

“Canada’s innovation in green finance is not only reflected in product and service innovation” (Wang, Qiu, Chen, 2024), but also in policy and regulatory innovation. For example, the blueprint report on sustainable finance classification standards released by the Canadian Treasury aims to promote green economic development.

Meanwhile, Canada has also shown outstanding performance in ESG (Environmental, Social, and Governance) investments, with multiple pension funds contributing to advocating for ESG investment and developing sustainable investment and financing decision-making standards. Overall, the development of it in Canada is a process of continuous exploration, innovation, and improvement. With serious global environmental problems continuous, Canada will continue to deepen green finance reform and innovation, and make greater contributions to develop of the global green economy. Policy support: The Canadian government is well aware of the importance and has launched a series of supportive policies, including tax breaks and loan incentives, aimed at encouraging financial institutions and businesses to actively engage in green finance practices. Market development: Canada’s green finance market is gradually expanding, with increasingly abundant green finance products and services. For example, Canadian financial institutions have started issuing green bonds to provide funding support for environmental projects; At the same time, green insurance products have been launched to provide risk protection for environmental protection. Canada has demonstrated a highly cooperative attitude on the global green finance stage, working together with international organizations, multiple governments,

and financial institutions to weave a close cooperation network and jointly promote the internationalization process of green finance. This cooperation not only deepens the international dissemination of green finance concepts, but also promotes policy dialogue, experience sharing, and technology exchange, injecting strong impetus into the global coordinated development of green finance. Decentralized regulatory policies: Canada’s regulatory policies in the field of green finance are relatively scattered, and policy coordination between different departments and institutions is not smooth enough. This has led to significant uncertainty in the approval and implementation process of some green finance projects.

Insufficient information disclosure: Currently, Canada still has certain deficiencies in green finance information disclosure. Some financial institutions and enterprises lack sufficient information disclosure, transparency, and credibility to green finance projects, which affect investors’ confidence in green finance projects.

Shortage of technology and talent: Growth of green finance requires support technology talent. However, currently Canada has relatively limited technological and talent reserves in the green finance, which limits further green finance development. To address these challenges, Canada can take the following measures: Strengthen policy coordination and regulation: The Canadian government can enhance policy coordination and regulatory cooperation among different departments and institutions to ensure consistency and coherence in green finance policies. At the time, a specialized green finance regulatory agency can be established.

Improve information disclosure system: Canada can improve information disclosure system, requiring financial institutions and enterprises to fully disclose relevant information on green finance projects, and improve transparency and credibility. At the time, “a green project database may be established to provide investors with comprehensive information on green finance projects” (Fauziah, Raditya, Nisful, 2024). Cultivate and introduce talents: Canada can strengthen the cultivation and introduction of green finance talents, encourage universities and research institutions to carry out education and research activities related to green finance. At the same time, it can attract international green finance professionals to work and develop in Canada. When ignoring the regulatory role of green energy and green production, green finance negatively impacts green growth. This result is entirely opposite when considering the regulatory role of green energy and green production, green finance impacts green growth positively.

In summary, the current growth of green finance in Canada is showing a positive, but it also needs to face

some challenges. By strengthening policy coordination and regulation, improving information disclosure systems, and cultivating and introducing talents. Green finance has a crucial role in reducing pollution emissions, promoting cleaner production, green transformation and is conducive to creating a win-win situation for economic development and environmental protection (Liu Y ,2024)

Financial support and orientation: Green finance provides financial support for green projects, such as clean energy, technologies, promotes research application of these projects. This financial support helps guide from highly pollut and highly-energy consume industry to more friendly environmentally and technologically advanced sectors.

Promoting Environmental Protection: Green finance inspires enterprises to adopt environmentally friendly production methods, optimize resource allocation efficiency, curb excessive exploitation of natural resources, and thus safeguard the integrity and balance of the natural ecology. Under this measure, green finance not only helps to reduce greenhouse gas emission and actively address challenges of climate change, but also becomes a solid force in defending biodiversity and stabilizing the foundation of ecosystems.

Enhancing public awareness:Green finance also helps to increase public awareness of environmental issues and enhance the overall sustainable development awareness of society. Through promotion and education, green finance enables more people to understand the importance of environmental protection, and thus take more environmentally friendly actions in daily life.

Promoting Healthy Economic Development: It not only promotes environment improvement and provides impetus for long-term healthy economic development. It help to cultivate new economic grow points and improve economic growth. It also focuses on sustaining the development of find industry itself, avoiding excessive speculative behavior that focuses on short-term benefits. By incorporating environmental assessments into financial business processes, green finance can help reduce financial risks and improve the stability and resilience of the financial industry.

2.4 The demand for green finance in sustainable development

Support for clean energy development: Canada is committed to 90% of the country's electricity coming from clean energy by 2030. To achieve this goal, Canada needs green finance to provide finance support for cleanly energy projects wind, solar, hydro power. For example, through finance instrument exception green bonds and

green loans, green finance the research can provide financial development, construction, operation of clean energy projects. With growing worldwide concern for global warming, green finance became the fuel that pushes the world to act in combating and mitigating climate change. Funding requirements for addressing climate change: Canada has released a blueprint for sustainable finance classification standards, aimed at promoting green economic to achieve the net zero carbon development emissions tart by 2050. Due to annual climate investment gap in Canada reaching up to \$115 billion, while the current climate investment is only about \$15 billion per year, the demand for green finance in this field is particularly urgent. Green finance became a vital tool in creating a pathway to sustainable development, as it connects the financial world with environmental and societal benefits. (Hosam D G ,2024,P6).Promoting Green Technology Innovation: The Canadian government regards guiding environmental and sustainable development technological innovation as an effective way to serve the public interest. Green finance can and application of green technologies, providing technological support for Canada's sustainable development. Canadian policymakers have long recognized the importance of environmental related information disclosure and encouraged market participants to include environmental related content when disclosing substantial non-financial information. It plays a key role in strengthening environmental information disclosure, as it encourages companies and financial institutions to publicly disclose their environmental performance and green financing dynamics. "This significantly enhances market transparency and provides investors with richer and more accurate decision-making information support"(Ye,Hu,Guo,2024).

Optimize resource allocation: The Canadian government encourages businesses and consumers to reduce carbon emissions by implementing carbon pricing mechanisms and gradually phasing out coal-fired power generation policies. Green finance guides resources towards more environmentally friendly and technologically advanced fields through market mechanisms, optimizes resource allocation, and promotes sustainable economic development. Canada faces unemployment issues caused by fossil fuel transition and concerns about the reliability and afford ability of renewable energy during the energy transition process. Green finance can help Canada address these challenges by supporting sustained investment in clean energy technologies and infrastructure, as well as supporting workers and communities affected by low-carbon economic transformation.

3.Research methodology

This study employs diverse research methods, combining

literature analysis, expert interviews, and case studies to comprehensively and deeply explore the important issue of green finance and sustainable development in Canada. In the process of literature analysis, we collected and carefully sorted out various rich materials including policy literature and academic journals, focusing on key points such as the development model and effectiveness evaluation of green finance, and committed to building a solid research framework from a theoretical perspective.

In order to gain a deeper understanding of the actual situation, we used interview methods to conduct thorough and in-depth exchanges with senior experts and frontline practitioners in the industry. Through this method, we not only obtain valuable first-hand information, but also directly listen to the voices from the forefront of practice and absorb rich practical experience.

At the same time, we specifically selected several representative Canadian green finance projects as case studies for in-depth analysis, and conducted detailed research on their implementation process, specific measures taken, and final results achieved. "These cases vividly demonstrate the actual operation of green finance in Canada, providing us with valuable practical references and inspirations. By comprehensively applying these three research methods"(Zhang,Luo,Du,2024), we have successfully revealed the actual situation of green finance and sustainable development in Canada in a comprehensive and in-depth manner, clearly identified its advantages, and keenly observed the existing problems. Based on these research findings, we provide practical guidance and feasible suggestions for Canada's future planning in green finance and sustainable development, hoping to inject new momentum into its development in this field and help it achieve more stable and sustainable progress.

4. Discussion

4.1 Policy guidance and support strategies

Clean Energy and Green Economy: Clean Energy Development Goal: "The Canadian government has set a goal of 90% of the country's electricity coming from clean energy by 2030" (Shen,Yu,Khoso,2024). For achieve this goal, the government encourages the research and development, construction, operation of clean energy projects through measures financial subsidies, ax incentives.Green finance, characterized by investments prioritizing environmental sustainability, emerges as a pivotal instrument.

Green Economy Investment: The Canadian government plans to invest nearly \$21 billion in clean energy over the next five years in the new fiscal year budget to promote investment in green technologies through tax credits. The government has also released a blueprint for sustainable finance classification standards to develop standardized

methods for determining whether specific economic activities meet climate goals, and to establish green voucher standards to promote green economic development. **Climate change and environmental protection: Carbon emissions target:** In 2050 the Canadian government is committed to achieving net zero carbon emissions. To this end, "government has implemented carbon pricing mechanisms, carbon taxes and carbon emission trading systems, for promote enterprises to reduce greenhouse gas emissions"(Ma,He,Zeng,2024).

Environmental protection measures: The government strengthens the crackdown on environmental destruction to the ecological environment. At the same time, with the international community the government cooperates to in global climate participate change governance. **Green Technology Innovation: Technological innovation support:** The Canadian government regards guiding environmental and sustainable technological innovation as an effective way to serve the public interest. The government introduce a series of policies, tax incentives or R&D funding support, to encourage enterprises and research institutions to innovate and research in the field of green technology. **Talent cultivation and introduction:** The government importance to the cultivation and introduction green technology talents, attracts outstanding talents to engage in the green technology industry through providing scholarships, research funding, and other means. At the same time, the government also strengthens cooperation with foreign universities and research institutions, introducing advanced green technology knowledge and technology. **Green finance policies: Green finance product:** In the field for green finance product innovation, the Canadian government actively encourages financial institutions to innovate and develop new financially instrument such as green bond and green loan, aiming to provide solid financially support for clean energy project and environment protection measures. In addition, the government has cleverly established a green investment fund as a lever to leverage social capital to converge towards green industries and jointly promoting the vigorous development of the green economy.

Policy incentives and incentives: The government has adopted diversified incentive policies, including tax reductions and risk compensation, to support green financial products and services, aiming to reduce the operational burden and risk exposure of financial institutions. In addition, the government is actively expanding its cooperation with international financial institutions and working together to create a new chapter in green finance.

4.2 Market mechanism construction strategy

Innovation in Green Financial Products: Green Bonds:

Canada has made significant progress in the field of green bond. An annual issuance of green bond has significantly increased from \$1.2 billion in 2014 to \$9 billion in 2020, reflecting increased market interest in green investment projects and government support for the green bond market.

Diversification to green finance products: In addition to green bonds, Canada has also developed diversified green finance products such as green credit and green insurance to meet the need of different investor and projects.

Green Finance Market Regulation: Information Disclosure and Transparency: The Canadian government requires listed companies to assume basic governance and information disclosure obligations, including disclosure of environmental, social, and governance (ESG) information. This enhances market transparency, enabling investors to accurately assess the risks and returns to green investment project. **Green Finance Classification Standards:** The Canadian Ministry of Finance has released a blueprint report on sustainable finance classification standards, providing standardized methods for determining whether specific economic activities meet climate goals and establishing green voucher standards. This helps to guide the flow of funds towards truly green projects and prevent the phenomenon of “greenwashing”.

Policy Incentives and Guidance: Tax Incentives: The Canadian government provides tax incentives for green finance products and services, such as offering tax incentives to green bond issuers to reduce their financing costs and encourage more capital to enter the green finance market. **Financial support:** The government provides financial support for green projects through the establish of green investment fund and other mean. For example, the Canadian government plans to invest nearly \$21 billion in tax credits in the clean energy sector over the next five years in the new fiscal year budget to promote the development for clean energy. **International cooperation:** The Canadian government strengthens cooperation with international financial institutions to jointly promote the development of green finance. This includes participating in green finance platform and jointly developing green finance products with other countries.

Green finance education and training: Green finance education and popularization: The Canadian government encourages financial institutions and higher education institutions to strengthen the cultivation and education of green finance talents. By offering relevant courses and providing practical opportunities, the professional abilities of financial institutions and investors in green finance, thereby promoting the healthy development of the green finance market. **Carbon Market Construction:** Canada has established a federal carbon market and introduced new

carbon tax regulations, which will help reduce greenhouse gas emissions through market mechanisms and promote the carbon market mechanism drives low-carbon development and lays a solid foundation for green finance.

4.3 International cooperation strategy

Green finance requires global collaboration, and Canada should deepen international cooperation and seek common development plans for green finance.

Canada is willing to share its successful experience in green finance, work together with other countries to create a green future, the coordinated development of global green finance.

5. Conclusion

The Canadian green finance market has shown a positive trend in terms of maturity and development potential. At the time, the variety of green products is becoming increasingly diverse, providing investors with diverse choices. However, compared to some developed countries, Canada still has room for improvement in the completeness of regulatory policy frameworks, market transparency, and standardization of green financial products.

In terms of development potential, with the deepening global attention to environmental protection and climate change, the demand for green investment continues to grow, bringing huge development opportunities to Canada’s green finance market. The continuous support and strengthening of government policies will further unleash market potential. In addition, Canada’s influence in the international financial field and its extensive international cooperation network provides favorable conditions for introducing international capital and technological support. At the same time, the continuous innovation and commercial application prospects for energy conservation, environmental protection, and renewable energy technologies have injected new impetus into the development of the green finance market.

In summary, Canadian green finance market has a high level of maturity on the existing basis and has shown enormous development potential. In the future, with the combined effects of market demand, policy support, international cooperation, and technological innovation, this market is expected to achieve faster and more sustainable development.

6. Recommendations

Improving data and information transparency: Canada should further improve its green finance data and information disclosure mechanism to enhance market transparency. By establishing unified standards for data collection, organization, and analysis, investors are ensured to obtain comprehensive and accurate information to support investment decisions. At the same time, strengthen the dis-

closure of key information such as project environmental impact and expected benefits, improve investor trust and market stability.

Improving policies and regulatory systems: Canada should continue to strengthen construction to green finance policies and regulatory system to ensure timeliness and effectiveness of policies. Policy formulation should fully consider market changes investor needs, ensuring the pertinence and applicability of policies. At the same time, strengthen the improvement of the regulatory system, ensure fair competition in the market.

Promoting innovation in financial products and services: Canada should in order to encourage financial institutions to increasing their innovation efforts in green finance products and services and launch more green finance products that meet market demand. By introducing new financial instruments and technological means, the financing costs and reduce the financing costs and risks of green projects, enhance attractiveness and feasibility. At the same time, we will strengthen international cooperation, draw on international experience, and innovate the development of green finance.

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