

Green Sukuk and Intergenerational Justice: Islamic Economic Law Perspectives on Climate Financing at Bank Muamalat Mamuju

St. Nurrahmah Idris

Institut Agama Islam Negeri Parepare
Email Penulis: idrisstnurrahmah@gmail.com

Nurjannah

Institut Agama Islam Negeri Parepare
Email Penulis: nurjanna001@iainpare.ac.id

Zainal Said

Institut Agama Islam Negeri Parepare
Email Penulis: zainalsaid@iainpare.ac.id

Hannani

Institut Agama Islam Negeri Parepare
Email Penulis: hannani@stainparepare.ac.id

Abstrak

This research aims to investigate the notion of green sukuk as Sharia-based climate finance instrument from Islamic economic law perspective and its connection to the principle of intergenerational justice at Bank Muamalat KCP Mamuju. The research uses a qualitative methodology with normative-juridical and empirical approach, the latter is a semi-structured interview. Data were collected from literature review and discussions with representatives of Bank Muamalat KCP Mamuju. The results show that the green sukuk idea is consistent with the principles of maqasid al-shariah, namely the protection of life (hifz al-nafs), wealth (hifz al-mal) and offspring (hifz al-nasl), which focus on environmental sustainability and the well-being of future generations. In general, Sharia finance at Bank Muamalat KCP Mamuju has been in accordance with the principles of Sharia compliance, although the application of environmentally oriented financing is still implicit and not integrated systematically. The study also found that the concept of intergenerational equality in Islamic economics highlights the moral and social obligation to conserve natural resources for the survival of future generations. Thus, green sukuk can be used as a strategic tool to promote Sharia-compliant sustainable development and reinforce the role of Islamic finance in fighting climate change.

Keyword: Cross-Generation Justice, Climate Financing, Green Sukuk, Islamic Economic Law, Maqashid Al-Shariah

Abstrak

Penelitian ini bertujuan untuk menganalisis konsep green sukuk sebagai instrumen pembiayaan iklim berbasis syariah dalam perspektif hukum ekonomi Islam serta relevansinya terhadap prinsip keadilan antargenerasi di Bank Muamalat KCP Mamuju. Penelitian menggunakan metode kualitatif dengan pendekatan yuridis normatif dan empiris melalui wawancara semi terstruktur. Data diperoleh melalui studi kepustakaan dan wawancara dengan pihak Bank Muamalat KCP Mamuju. Hasil penelitian menunjukkan bahwa konsep green sukuk memiliki kesesuaian dengan prinsip maqasid al-shariah, khususnya dalam aspek hifz al-nafs, hifz al-mal,

dan *hifz al-nasl* yang berorientasi pada keberlanjutan lingkungan dan kesejahteraan generasi mendatang. Implementasi pembiayaan syariah di Bank Muamalat KCP Mamuju pada dasarnya telah memperhatikan prinsip kepatuhan syariah, namun penerapan pembiayaan berbasis lingkungan masih bersifat implisit dan belum terintegrasi secara sistematis. Penelitian ini juga menemukan bahwa konsep keadilan antargenerasi dalam ekonomi Islam menekankan tanggung jawab moral dan sosial untuk menjaga kelestarian sumber daya alam demi keberlangsungan hidup generasi mendatang. Oleh karena itu, green sukuk dapat menjadi instrumen strategis dalam mendukung pembangunan berkelanjutan berbasis syariah sekaligus memperkuat peran keuangan syariah dalam mitigasi perubahan iklim.

Kata Kunci: Green Sukuk, Hukum Ekonomi Islam, Keadilan Antargenerasi, Maqashid Al-Shariah, Pembiayaan Iklim

A. Introduction

Climate change is a global issue that increasingly reveals the shortcomings of development models that prioritize short-term economic growth. The rise in greenhouse gas emissions, the overexploitation of natural resources, environmental degradation, and the heightened risk of ecological disasters illustrate that contemporary economic activities cannot be separated from the obligation to ensure sustainability. In this context, climate finance has become a critical necessity, as transitioning to low-carbon development demands financial instruments that are not only economically viable but also uphold ethical, social, and legal standard¹. Green finance is essential for promoting sustainable development, and the United Nations, through its sustainable development agenda, emphasizes environmental protection as a shared global responsibility².

The maqasid al-shariah based financial system is anchored in the principles of maqasid al-shariah which provide a strong normative foundation for sustainable financing. Sharia finance does not merely look at contractual formalities. It tries to promote public good, prevent harm, provide social fairness and preserve human life. In this connection, it is important to integrate Islamic financing with sustainable

¹ Raman, R., Ray, S., Das, D., & Nedungadi, P. (2024). Innovations and Barriers in Sustainable and Green Finance for Advancing Sustainable Development Goals. *Frontiers in Environmental Science*, 12, 1513204.

² Weiland, S., Hickmann, T., Lederer, M., Marquardt, J., & Schwindenhammer, S. (2021). The 2030 Agenda for Sustainable Development: Transformative Change Through The Sustainable Development Goals? *Politics and Governance*, 9(1), 90–95.

development³. In addition, *maqasid al-shariah* is the intellectual paradigm of the Islamic law that emphasizes the general welfare of humanity⁴. Therefore, Sharia-based climate finance is a significant avenue to reconcile Sharia compliance with environmental conservation and intergenerational responsibility.

A common problem nowadays is the need to systematically optimize the integration of environmental sustainability principles in Sharia financial methods, which is considered inadequate in this domain. For Sharia financial institutions, processes are in place to ensure conformity with the principles of *riba* (usury), *gharar* (uncertainty), *maisir* (gambling), contractual fairness and transparency. But this compliance is not often based on an explicit ecological orientation. In the specific example of Mamuju Sub-branch of Bank Muamalat, although the operational of Sharia finance is inherently in accordance with the principles of Sharia compliance, the environmental aspect is implicitly considered and has not been systematically incorporated in the financing policy or product.

The problem raises basic difficulties concerning the understanding of green sukuk as a climate finance tool within the Islamic finance system. It also discusses the positioning of the idea of intergenerational fairness within Islamic economic law and how *maqasid al-shariah* might be a basis for steering Islamic finance to be more responsive to the environmental issues. A solution-oriented approach calls for not only the strengthening of technical regulations, but also a change of perspective, moving Islamic finance from a formalistic legal compliance orientation to a substantive orientation that highlights ecological well-being, social welfare and the protection of future generations.

This study proposes a solution to strengthen the concept of green sukuk as a climate finance instrument that is in line with the Sharia. Green sukuk are Sharia-compliant financial products that are used to finance environmentally friendly projects such as renewable energy, energy efficiency, waste management, green transportation and sustainable development⁵. The emergence of green sukuk is crucial to extend the

³ Muhmad, S. N., Muhamad, R., & Sulong, F. (2021). Sustainable Development Goals and Islamic Finance: An Integrated Approach for Islamic Financial Institutions. *Indonesian Journal of Sustainability Accounting and Management*, 5(1), 123–136.

⁴ Kasdi, A. (2019). Actualizations of Maqashid Al-Shariah in Modern Life. *Justicia Islamica*, 16(2), 247–268.

⁵ Alam, A., Ratnasari, R. T., Jannah, I. L., & Ashfahany, A. El. (2023). Development and Evaluation of Islamic Green Financing: A Systematic Review of Green Sukuk. *Environmental Economics*, 14(1), 61–72.

market for Sharia-based green finance, as these instruments are aligned with the worldwide movement toward sustainable finance⁶. Thus, green sukuk is not just an investment commodity but also an ethical tool for directing public monies to productive enterprises that benefit the environment.

The existing literature has discussed green sukuk from several aspects, such as sustainable finance, Sustainable Development Goals (SDGs), climate change mitigation and their congruence with *maqasid al-shariah*. Musari's research puts green sukuk as a tool for climate change management in Islamic finance⁷, and Firmansyah and Haryanti clarify the function of green sukuk in sustainable finance in Indonesia in the period of 2018–2024⁸. Green sukuk is also related to the integration of SDGs in Indonesia, as found by Alifia and Fakhriah⁹. More recent study by Wathan et al. examines the legal and financial frameworks for green sukuk to finance renewable energy¹⁰, Wan Zahari stresses the need for green sukuk to be aligned with *maqasid al-shariah* and ESG frameworks¹¹.

The nearest literature to this study shows a close relationship between green sukuk and the principle of intergenerational fairness. Priyatno et al. address the nexus of Islamic finance, environmental sustainability and intergenerational justice¹², while Syukri et al. examine green sukuk from the perspective of Islamic eco-theology¹³. Within the framework of Islamic economic law, intergenerational justice can be connected with notions such as *khalifah fil ardh* (stewardship of the earth), *amanah* (trust), the

⁶ Alkadi, R. S. (2024). Towards a Sustainable Future: A Comprehensive Review of Green Sukuk. *Review of Accounting and Finance*, 23(4), 467–488.

⁷ Musari, K. (2022). Integrating Green Sukuk and Cash Waqf Linked Sukuk, The Blended Islamic Finance of Fiscal Instrument in Indonesia: A Proposed Model for Fighting Climate Change. *International Journal of Islamic Khazanah*, 12(2), 133–144.

⁸ Firmansyah, D., & Haryanti, P. (2025). Peran Strategis Green Sukuk dalam Mendukung Pembangunan Berkelanjutan: Studi Berbasis Literatur Global 2021–2025. *Journal of Economic and Business Advancement*, 1(2), 131–138.

⁹ Ayu Alifia, P. I., & Fakhriah, N. (2024). Optimalization of Green Sukuk as an Effort to Develop Sustainable Development (SDGs) in Review of Maqashid Sharia. *Majapahit Journal of Islamic Finance and Management*, 4(1), 69–88.

¹⁰ Wathan, H., Nasution, A. W., & Sulaiman, S. A. Bin. (2026). Green Sukuk The Perspective of Sharia Economic Law: A Development Financing Instrument for Achieving The SDGs. *Profetika: Jurnal Studi Islam*, 26(3), 955–976

¹¹ Wan Zahari, W. M. Z. (2025). Operationalising Green Sukuk Within The World Bank Environmental and Social Framework. *Discover Environment*, 3(1), 288–306.

¹² Priyatno, P. D., Yetti, F., Karimah, D. A., Nurrohman, N., & Ridwan, A. H. (2025). Integrating Circular Economy and Maqashid Al-Shari'ah: The Meditating Role of Hifdz Al Bi'ah in Achieving Economic Justice. *Lex Localis - Journal of Local Self-Government*, 23(11), 1718–1732.

¹³ Syukri, M., Mulazid, A. S., & Rodoni, A. (2026). Green Sukuk as A Manifestation of Islamic Ecotheology: The Integration of Maqasid Al-Shariah and Environmental Sustainability in Indonesia. *International Journal of Islamic Economics and Finance (IJIEF)*, 9(1), 1–20.

prohibition of *israf* (wastefulness), the principle of *mizan* (balance) and *maqasid al-shariah* (objectives of Sharia), especially with reference to the protection of life (*hifz al-nafs*), wealth (*hifz al-mal*) and progeny (*hifz al-nasl*). However, there is still a study gap in the small number of studies that precisely connect green sukuk, intergenerational justice, and Sharia financing practices at the local institutional level, especially at the Bank Muamalat Mamuju sub-branch.

The objective of this study is to investigate the notion of green sukuk as a Sharia-based climate finance instrument from the perspective of Islamic economic law and to analyze the applicability of the principle of intergenerational fairness in the Mamuju Sub-branch Office of Bank Muamalat. The originality of this study is the coupling of a normative study of *maqasid al-shariah* with an empirical study of Sharia finance practices at the sub-branch level. This approach is concerned by the concept of green sukuk and discusses the prospects for its integration to the practices of Sharia financial institutions. The study is founded on the idea that the more effective the integration of green sukuk with *maqasid al-shariah*, the greater its contribution to attaining equitable climate finance for present and future generations. This research is about Islamic economic law, the notion of green sukuk, *maqasid al-shariah*, intergenerational justice, the backdrop of Sharia finance in the office of the Mamuju sub-branch office of Bank Muamalat.

B. Literature Review

Green Sukuk

Green Sukuk is an Islamic financial instrument that includes Sharia principles and aims to encourage sustainable financing through supporting environmentally friendly enterprises. Green Sukuk, as the term suggests, is ownership certificates equal in value to actual assets, usufruct rights or investment forms that are in compliance with Sharia norms and support the development of a green economy¹⁴. The key features of the green sukuk include a direct link between the funds invested and the physical project, which enhances transparency and accountability in the use of funds; prohibition of *riba* (usury), *gharar* (uncertainty) and *maysir* (gambling); and dual compliance via Sharia evaluation and Environmental, Social and Governance (ESG) criteria.

¹⁴ Damayanti, Y. E. (2025). Green Sukuk for A Better Earth: Integrating Sharia and Sustainability. *International Journal of Advances in Engineering and Management*, 7(7), 933–939.

The instrument is a novel link between Islamic financing and green finance to facilitate the transition to a low-carbon economy. The proceeds from the issuing of green sukuk will be directed toward green projects like renewable energy, energy efficiency, sustainable transportation, waste management, environmental conservation and climate change mitigation and adaptation¹⁵. Green sukuk are different to traditional bonds which are debt-based and involve interest payments, because they are asset-based and use return methods such as profit sharing or fees which are compliant with Sharia rules. This innovative structure allows the instrument to attract a wide range of investors including Sharia compliant investors, environmentally sensitive investors and traditional investors. However, green sukuk growth is facing various hurdles including poor investor awareness, limited institutional capacity, need for defined definitions and indicators, and need for strengthened supporting policies¹⁶.

Climate Financing

Climate financing is a funding method to support different activities to address climate change. This support is provided by local, national and global financial streams from the public, private and alternative sectors. This includes efforts linked to both climate change mitigation and adaptation¹⁷. The main purpose of climate financing is to reduce greenhouse gases emissions, improve the ability to sequester carbon and increase the adaptability of human and natural systems to the impacts of climate change. In a broad sense it covers all financial activities that relate to reactions to climate change. In a narrow sense it refers to specific financial instruments, such as carbon emissions trading.

Climate finance refers to the segment of green finance that specifically addresses the provision of cash for mitigation and adaptation efforts and the encouragement of low-carbon economic development. Sources of funding are the public sector through grants, concessional loans and government guaranties and the private sector mainly via

¹⁵ Ihsan, M. (2025). Efektivitas Green Sukuk sebagai Instrumen Keuangan Syariah dalam Mitigasi Perubahan Iklim. *Journal of Islamic Finance and Syariah Banking*, 3(1), 10–25.

¹⁶ Sauqi, M., Budiman, M. A., A'isyah, H., Syifa, L., & Rizki, E. A. (2026). Implementasi Green Sukuk dalam Pembangunan Nasional: Analisis Fikih Muamalah terhadap Akad dan Pemanfaatan Aset. *SANTRI: Jurnal Ekonomi Dan Keuangan Islam*, 4(2), 92–103.

¹⁷ Mohamadi, F. (2021). Climate Finance at a Glance. In *Introduction to Project Finance in Renewable Energy Infrastructure* (pp. 199–207). Springer International Publishing.

investments in renewable energy and green bonds¹⁸. Additional sources of finance include specialized institutions such as the Green Climate Fund, the Clean Technology Fund and the Global Environment Facility, as well as new vehicles such as climate insurance and disaster bonds. The financial tools used include grants, loans, equity and debt relief as well as new approaches such as carbon trading and climate-risk-based products. However, debates continue in the area of climate finance on the distinction between climate finance and development finance, the obligations of developed countries to developing countries and the need to follow principles of justice and equity in the distribution of climate finance¹⁹.

Intergenerational Justice

The principle of intergenerational justice in Islamic economics means that the present generation is a trustee who has to manage the resources in such a way that future generations would have an equitable access to wealth, capital and a sustainable environment²⁰. The application of intergenerational justice in Islamic economics is through several institutional tools that focus on sustainability and equitable distribution. Furthermore, this notion has an ecological responsibility through sustainable utilization of resources. Degradation of the environment that diminishes future generations' ability to meet their needs is seen as a violation of the human obligation to be caretakers of the earth²¹.

Intergenerational justice is founded on the principles of *amanah* (trusteeship) and *khalifah* (stewardship), the notion that humans are not absolute owners of the earth but stewards who must preserve the balance of Allah creation²². *Waqf* (endowment) instruments help conserve assets for the enjoyment of future generations and not only to satisfy immediate interests. The *mawarith* (inheritance) system controls the distribution of wealth to avoid the accumulation of assets in particular groups, while *zakat* (obligatory almsgiving) and *sadaqah* (voluntary charity) are redistribution

¹⁸ Digitemie, W. N., & Ekemezie, I. O. (2024). Assessing The Role of Climate Finance in Supporting Developing Nations: A Comprehensive Review. *Finance & Accounting Research Journal*, 6(3), 408–420.

¹⁹ Sheng, K. (2023). A Review of Climate Finance. *Advances in Economics, Management and Political Sciences*, 9(1), 169–173.

²⁰ Prasetya, A. (2026). The Concept of Justice ('Adl) In Islamic Economics and Its Contemporary Application: A Normative Literature Review. *SHACRAL: Shari'ah Economics Review Journal*, 2(2), 366–383.

²¹ Kurniawan, A. A., & Fadlillah, I. (2025). From Anthropocentric to Ecocentric Jurisprudence: A Maqasid-Based Reconstruction of Islamic Environmental Ethics Toward Intergenerational Equity. *Al'Adalah*, 28(2), 143–162.

²² Elpina, L. (2026). Redistributing Equity: A Contemporary Analysis of Justice in Islamic Economic Thought. *Jurnal Iman Dan Spiritualitas*, 6(2), 815–824.

mechanisms that diminish social inequality and improve access to economic resources of vulnerable groups. Therefore, techniques such as the circular economy, waste reduction, eco-design, and sustainable supply chains are consistent with Islamic ideals in terms of the sustainability of life²³. Unlike secular alternatives that frequently ground intergenerational justice on a social compact, the Islamic economy adds a spiritual dimension through the concept of *tawhid* (divine unity), which claims that maintaining the natural balance is a moral responsibility before Allah²⁴.

Empirical Research

Green sukuk is an Islamic financial product that is closely related to the principle of intergenerational equity. Green sukuk embraces the *maqashid al-shariah* framework. Thus, Fikriawan et al. 's research highlights the relationship between green sukuk and the notion of *hifz al-nasl* (maintenance of offspring), emphasizing that investment activities are aimed at creating economic benefits for the current generation and maintaining resource sustainability for future generations²⁵. This is confirmed by Damayanti's research, which notes that green sukuk is an Islamic economic practice that finances environmentally friendly initiatives, integrating concepts of equality, sustainability and intergenerational well-being.²⁶ Furthermore, the studies by Izzati et al. and Mustafa et al. found that green sukuk has the potential to be a tool in actualizing the values of *khalifah* (stewardship) and *amanah* (trust) as the funds are channeled to projects that enhance the environment quality and help the sustainability of human life^{27,28}.

Kurniawan and Fadillah's study examined the relationship between the two, using an ecocentric *maqashid* method that considers environmental conservation as a

²³ Puspitasari, I., Muhammad, A. M., & Kayadibi, S. (2025). Integrating Mawarith in Islamic Social Finance to Advance Economic Growth (SDG 8) and Responsible Consumption (SDG 12). *Islamic Economics Journal*, 11(2), 216–239.

²⁴ Rahman, R. B. A., Hoque, M. N., Amirrudin, M. S. B., Kasim, E. S. B., & Bustomi, A. A. (2025). Revitalizing Waqaf for Intergenerational Justice: Ethical Mechanisms for Wealth Preservation and Social Equity. *International Journal of Academic Research in Progressive Education and Development*, 14(3), 2302–2316.

²⁵ Fikriawan, S., Rokamah, R., Amila, A., Setyawan, A., & Masykur, A. (2026). Integrating Maqashid al-Syariah into The Sustainability Framework of Green Mudharabah Sukuk: A Conceptual Model. *Proceeding International Conference on Islam, Law, and Society (INCOILS)*, 5(1), 1–25.

²⁶ Damayanti, Y. E. (2025). Green Sukuk for A Better Earth: Integrating Sharia and Sustainability. *International Journal of Advances in Engineering and Management*, 7(7), 933–939.

²⁷ Izzati, A. N., Tumuyu, S. S., & Wardhana, Y. M. A. (2025). Reconceptualizing Green Sukuk Through Maqashid Al-Shariah for Advancing Sustainable Development Goals. *Journal of Islamic Economics Lariba*, 11(2), 1833–1862.

²⁸ Mustafa, S., Ali, M., & Ibrahim, A. (2026). Financing Sustainability through Faith: The Role of Green Sukuk in Islamic Environmental Ethics. *International Journal of Sustainability in Research*, 4(1), 13–18.

central Islamic normative responsibility²⁹. Thus, ecological damage caused by modern economic activities is seen as a type of injustice since it breaches the rights of future generations to use natural resources. Therefore, green sukuk is not simply a tool for green financing but also a means to institutionalize the ideas of Islamic ecological justice in current economic activities. However, some limitations of this association require more in-depth investigation. One such constraint, as noted by Naim et al., relates to difficulties in the development of measurement tools for environmental impact and the poor verification of indicators that have been independently utilized in different researches³⁰.

C. Research Method

In this study, qualitative research methods are employed by combining normative-juridical and empirical methodologies. The qualitative approach was adopted since the focus is not on quantitative measurement but on obtaining a conceptual, normative, and contextual understanding of green sukuk as a sharia-based climate finance instrument and its linkage to the principle of intergenerational equality. This methodology aims to interpret the relation of Islamic economic legal standards, principles of maqasid al-shariah and Sharia financing practices at Bank Muamalat (Mamuju sub-branch).

The normative-juridical approach analyzes the notions of green sukuk, maqasid al-shariah, and intergenerational equality in the perspective of legal sources, academic literature, regulations, DSN-MUI fatwas, and Sharia-based climate financing documents. This is in agreement with the opinion of Soekanto and Mamudji, that normative legal research is founded on the study of library resources or secondary data for legal analysis. Meanwhile, the empirical approach is utilized to study how the principles are understood and implemented in the practice of Sharia financing in Bank Muamalat (Mamuju sub-branch) using semi-structured interviews.

The research was undertaken at Bank Muamalat KCP Mamuju, because it has a position as a Sharia financial institution that has potential for financing that is oriented toward sustainability. The present study discusses the idea of green sukuk and the principle of intergenerational equality within the framework of Islamic economic law in

²⁹ Kurniawan, A. A., & Fadlillah, I. (2025). From Anthropocentric to Ecocentric Jurisprudence: A Maqasid-Based Reconstruction of Islamic Environmental Ethics Toward Intergenerational Equity. *Al'Adalah*, 28(2), 143–162.

³⁰ Naim, A. Z., Yustafad, Y., & Reza, M. F. (2026). Effectiveness of Green Sukuk in Indonesia: Emission Measurement, Sharia Law, and Transparency. *Jurnal At-Tamwil: Kajian Ekonomi Syariah*, 8(1), 14–33.

particular in relation to Sharia-compliant climate funding. The research does not aim to assess the financial performance of the bank in quantitative terms, but rather to examine the extent to which the principles of maqasid al-shariah, especially *hifz al-nafs* (preservation of life), *hifz al-mal* (preservation of wealth) and *hifz al-nasl* (preservation of lineage) can provide a normative basis for the development of financing that takes into account environmental sustainability and the welfare of future generations.

Research data is comprised of primary and secondary sources. The primary data were acquired using semi-structured interviews with Bank Muamalat (Mamuju sub-branch) personnel. The interviews were targeted at understanding the institution's stance on green sukuk, procedures of Sharia compliance, orientation of Sharia finance and the ability to include ecologically oriented funding into its activities. Secondary data were collected from a literature assessment of journals, books, regulations, DSN-MUI fatwas, institutional reports and documents related to green sukuk and Sharia-based climate financing.

The data analysis technique used in this study is descriptive-qualitative analysis, which includes the steps of data reduction, data categorization, data interpretation, and drawing conclusions. The data reduction process was the process of selecting information that was relevant to the research emphasis, which was green sukuk, maqasid al-shariah, climate financing and intergenerational equity. The data classification involved categorizing findings into normative and empirical categories. In the interpretation phase, data from the field was related to data from the literature to solve the study topic. The examination considers the compliance of Sharia financing with the formal standards and the possibility to evolve this financing into a more structured form of green finance. The conclusions were made by inductive reasoning, from the particular results of the Bank Muamalat Mamuju Sub-branch to the general knowledge of the importance of green sukuk in the effort of intergenerational justice.

D. Result and Discussion

The research findings show that green sukuk is an important instrument of Sharia-based climate finance. These findings: These findings were obtained through literature study and semi-structured interview at Bank Muamalat (Branch Office Mamuju). This study is conducted by literature study and semi-structured interviews in Bank

Muamalat. Green sukuk is generally recognized as a Shariah-compliant financial instrument to raise cash and finance productive enterprises and projects providing ecological and social benefits. Thus, green sukuk plays a key role in linking the concepts of Sharia compliance with the sustainable development objective. The research results show that the implementation of Sharia finance at Bank Muamalat is basically in accordance with the principles of Sharia compliance, however the inclusion of environmentally oriented financing has not been systematic enough. Thus, the emphasis on environmental sustainability is recognized as part of public interest (*maslahah*) but has not been institutionalized as an explicit operational framework throughout the entire financing process. This circumstance indicates a disconnect between the normative understanding of maqasid al-shariah and its implementation in green funding.

The study finds that green sukuk is an innovative financial instrument that combines the principles of Sharia with green financing. Green sukuk is targeted at funding projects that have positive environmental impact such as renewable energy, energy efficiency, waste management, green transportation and sustainable development. This is consistent with the research by Liu et al. where green sukuk is positioned as part of the development of the Sharia-based green finance market. Based on worldwide trends³¹, Manap defines green sukuk as a sustainable financial product³². The interview results indicated that Bank Muamalat viewed green sukuk as consistent with maqasid al-shariah in that it prioritizes the welfare of the population and the sustainability of the environment. This perspective shows that green sukuk is evaluated not just from its contractual structures or Sharia legal conformity but also the socio-ecological effect potential that can be created. In this sense, green sukuk is a financing tool that extends the scope of Sharia finance from mere regulatory compliance to the attainment of actual public welfare.

The study results show that maqasid al-shariah is the main purpose of Islamic Sharia, which seeks to bring about public interest and prevent harm. The application of maqasid in sharia financing can be seen in the avoidance of *riba* (usury), *gharar*

³¹ Liu, F. H. M., & Lai, K. P. Y. (2021). Ecologies of Green Finance: Green Sukuk and Development of Green Islamic Finance in Malaysia. *Environment and Planning A: Economy and Space*, 53(8), 1896–1914.

³² Manap, A. (2025). Green Sukuk as Sustainable Financing Instruments: Socio-Economic and Environmental Impacts in Southeast Asia. *Journal of Scientific Insights*, 2(3), 211–224.

(uncertainty) and *maisir* (gambling). It reflects the implementation of concepts such as justice and transparency, with emphasis on social welfare and environmental protection. These features illustrate that Sharia funding is not only valid in terms of commercial agreements, but also brings wider advantages to society and the environment.

The green sukuk is directly linked to three key elements of *maqasid al-shariah*. First, *hifz al-nafs*. This principle is concerned with the preservation of human life from environmental deterioration that could endanger health, safety and survival. Second, *hifz al-mal* which refers to the protection of economic resources for their sustainable use and prevention of their exhaustion through over-exploitation. The third is *hifz al-nasl*. This principle refers to the protection of future generations through the promotion of environmental sustainability. The results are in line with the findings of Shihan et al. who highlighted that *maqasid al-shariah* is Islamic legal principle that aims to promote well-being of all mankind³³.

The Sharia Supervisory Board (DPS) is responsible for supervising the Sharia compliance mechanism at Bank Muamalat's Mamuju Sub-branch which is implemented through Sharia audits, the examination of compliance to financing products, and the application of prudential standards. These mechanisms emphasize the significance of the Sharia compliance as an essential element of the institutional practice, making sure that the financing goods and activities are in conformity with the basic principles of Islamic economics. However, research results show that the integration of Sharia principles with green finance has not been totally systematic. From a Sharia perspective, there is a lack of specialized rules for ecologically oriented funding and it is mainly based on general sustainable finance regulations. Hence, green finance practices in Sharia financial institutions frequently lack well-defined operational instruments, especially those that directly tie environmental issues to *maqasid al-shariah*.

These findings demonstrate that the Sharia compliance is not satisfactory merely based on the fulfillment of contractual duties. The expansion of the concept of Sharia

³³ Shihan, M., Amanullah, M., & Ali Zaroum, A. M. (2023). The Examination of The Social Dimension of Shari'ah from The Viewpoint of Maqasid Al-Shari'ah: A Case Study of The Preservation of Intellect. *International Journal of Social Science and Human Research*, 6(2), 1038–1046.

conformity to embrace substantive issues, notably ecological responsibility, is critical. Research by Shabanov et al. 's shows the necessity of connecting Islamic finance with sustainable development goals³⁴. Thus, it is important that Sharia funding not only shuns the so-called forbidden but also supports projects that protect the environment and bring long-term benefits. The study finds that intergenerational equality is a core principle in Sharia-based climate finance. It stresses the moral and social responsibility of the present generation to preserve natural resources for the sustainable use of future generations. From the Islamic perspective, this obligation is linked to the concept of *khalifah fil ardh* (vicegerent), the trust in protecting the planet, the prohibition of *israf* (wasting) and the principle of balance or *mizan*.

The concept of intergenerational equality is embedded in green sukuk as they are designed to raise cash for environmentally sustainable initiatives that are beneficial for the long-term. The report calls for investment to be directed toward projects that improve environmental sustainability and long-term well-being. Therefore, the benefits of green sukuk are not only for the current generation but also for future generations in terms of environmental protection, reducing ecological risks and sustainable development. The findings are consistent with the work of Syaichoni et al. on Islamic finance, environmental sustainability and intergenerational justice³⁵. In economic Islamic law, justice is not just balance in transactions between individuals, but also an obligation that extends beyond time. Financing that is only oriented toward short-term profit, without respect for ecological consequences, risks ignoring the rights of future generations. Therefore, the green sukuk can be a strategy to increase the ethical and social character of the Sharia financial system.

Several major challenges to the implementation of green finance in Sharia financial institutions have been found in the research. The problems are legal limits, lack of green finance knowledge, profit-oriented mindset, and human resources that are not able to implement maqasid al-shariah principles in real circumstances. These challenges show that green sukuk's development needs institutional preparation and enhanced

³⁴ Shabanov, Z. M., Elshad, G. Y., & Yusifov, E. (2025). Islamic Legal Perspectives on Climate Justice: Integrating Environmental Ethics and Economic Responsibility. *Journal of Islamic Law and Legal Studies*, 2(2), 62–78.

³⁵ Syaichoni, A., Huda, Q., Pangestu, N., Rama, R., & Sampurno, W. (2025). Integrating Maqasid al-Shariah and Sustainable Development Goals Islamic Financial Planning: A Framework for Ethical Wealth Distribution. *International Journal of Islamic Finance*, 3(1), 81–94.

regulatory backing, besides having a good normative base. Regulations suggest the absence of clear and specific guidelines for the development of environmentally oriented funding by Sharia financial institutions. Moreover, the knowledge of green finance is still limited, which hinders understanding of green financing as an integral part of the Sharia finance goal. Moreover, decisions about finance are still largely motivated by profit motives and so sustainability is not always a priority. Thirdly, these institutions are limited by their human resources in translating *maqasid al-shariah* into real finance strategies and goods.

E. Conclusion

This study shows that green sukuk has an important function as a Sharia-compliant climate finance instrument that successfully aligns the Islamic economic legal principles with the environmental sustainability goals. The main findings show that the concept of green sukuk is in line with the *maqasid al-shariah*, especially *hifz al-nafs* (protection of life), *hifz al-mal* (protection of wealth) and *hifz al-nasl* (protection of progeny), which stresses on the protection of life, good management of economic resources and protection of the welfare of future generations. The practices of Sharia finance in the Mamuju sub-branch of Bank Muamalat are conducted following the principles of compliance by avoiding the practice of *riba* (usury), *gharar* (uncertainty), and *maisir* (gambling), and applying the Sharia supervisory system. But the environmental aspect of finance is still implicit, and has not yet been systematically mainstreamed in the bank's policies or financing packages.

The main contribution of this paper is an attempt to relate green sukuk, *maqasid al-shariah* and intergenerational justice under a unified Islamic economic legal framework. The paper claims that Islamic banking should not be considered as a system that focuses on the validity of contracts only, but it should aspire to ecological and social well-being. The consequences of these findings emphasize the need for more stringent regulation, more green finance knowledge and human resource capability, and the development of novel green financing products that are more clearly designed in line with *maqasid al-shariah*. Therefore, this research contributes to the subject of Islamic economics by expanding the discussion from compliance to include ecological and intergenerational responsibility. Future research may further explore the

implementation model of green sukuk in other Islamic financial institutions, analyze practices at the national and regional levels, and develop operational indicators of maqasid al-shariah in green finance assessment.

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