***Bima Journal – Bussiness Management and Accounting***
*Available online at : http://journal.pdmbengkulu.org/index.php/bima*
DOI: https://doi.org/10.37638/bima.6.1.45-58

# IMPLEMENTATION OF GREEN ECONOMY THROUGH GREEN FINANCING FOR TOFU SMES IN SUMBERMULYO VILLAGE

**Lailatus Sa'adah[1*]; Famung Gangga[2)]**
***[1,2)]Department of Management, Faculty of Economic, Universitas KH. Abdul Wahab Hasbullah***

***Coresponden Author: lailatus@unwaha.ac.id**

***How to Cite :***
Sa'adah, L., & Gangga, F., (2025). *Implementation of Green Economy Through Green Financing for Tofu SMEs in Sumbermulyo Village*. *Bima Journal : Business, Management and Accounting Journal, 6* (1). DOI: https://doi.org/10.37638/bima.6.1.45-58

**ARTICLE HISTORY**
*Received [06 January 2025]*
*Revised [05 February 2025]*
*Accepted [13 May 2025]*

***KEYWORDS***
*Green Economy; Green Financing; MSMEs; Sustainability; Sumbermulyo Village; 3R*



***ABSTRACT***

***Purpose:*** *This study aims to analyze the implementation of green economy through green financing in tofu MSMEs in Sumbermulyo Village, Jogoroto District. The focus is on the role of green financing in supporting small business sustainability.* ***Methodology:*** *A descriptive qualitative approach was used with participatory observation techniques and semi-structured interviews with 10 MSME players.* ***Results:*** *It was found that 50% of the actors have implemented green economy principles, such as utilizing waste as animal feed. However, only 10% were aware of green financing schemes, due to lack of socialization and access to information.* ***Findings:*** *The practice of the 3Rs (Reduce, Reuse, Recycle) has had a positive impact in reducing pollution, although challenges such as waste odor and limited capital still hinder.* ***Originality:*** *This study is one of the first to discuss green financing in the context of rural tofu MSMEs, by offering an environmentally friendly community financing model. Its contribution lies in the contextual analysis of the rarely researched local food sector.* ***Conclusion:*** *The integration of green economy and green financing in tofu MSMEs has the potential to promote sustainability, but requires institutional support.* ***Type of paper:*** *Empirical research Paper**.***

## INTRODUCTION

The global economy is currently facing two major challenges, namely the economic crisis and the environmental crisis. The economic crisis has made it difficult for many countries to improve the welfare of their people, while environmental crises, such as climate change and pollution, threaten the preservation of nature and human life (Novindri et al., 2020). Efforts to balance economic growth with environmental sustainability are becoming increasingly urgent, given the negative impacts of uncontrolled exploitation of natural resources. To answer this challenge, the green economy concept comes as a solution by prioritizing sustainable development that combines a balance between economic, social, and environmental aspects (Anwar, 2022).

The Indonesian government supports the implementation of green economy by developing green financing programs. Green Finance is the answer to the challenges faced by the global

economy today (Akomea-Frimpong et al., 2022). According to (Uddin, 2016), green financing aims to provide financial support for environmentally friendly economic activities. Banks as financial institutions play a strategic role in supporting sustainability through the provision of green financing that involves environmental impact analysis and the application of the 3R principles (Reduce, Reuse, Recycle) in business operations (Herdijani, 2023).

Sumbermulyo Village in Jogoroto Sub-district, Jombang District, has great potential for the development of the tofu industry, supported by natural resources such as clean water and a wide market for tofu products, both locally and regionally. There are currently 56 tofu MSMEs in the village, generating positive benefits in the form of creating new employment opportunities and improving the welfare of the surrounding community. However, the tofu industry in Sumbermulyo also faces significant environmental challenges, especially water pollution due to the discharge of liquid waste directly into the river without treatment, as well as air pollution from burning wood as fuel (Pradani et al., 2023). These impacts not only damage environment, but also pose health hazards to the surrounding community.

MSMEs have an important role in creating employment opportunities for productive labor, supporting income distribution, and improving community welfare (Novitasari, 2022). In addition to opening up more employment opportunities, MSMEs are also a platform for creative and innovative individuals to develop more competitive businesses. However, although tofu MSMEs have a great opportunity to compete in the global market (Widiyanti et al., 2022), tofu MSME players in Sumbermulyo Village generally do not understand the concept of green economy (Rizka Zulfikar, STp. & Prihatini Ade Mayvita, S.E., M.M. Purboyo, S.E., 2019). This is exacerbated by low financial literacy and lack of socialization regarding green financing. As a result, most MSME players tend to rely on personal capital and the People's Business Credit (KUR) program from banks, without considering alternative funding that is more oriented towards environmental sustainability. In fact, green financing can be a solution not only in terms of business funding but also in helping MSMEs implement more environmentally friendly production practices.

The purpose of this study is to analyze the implementation of green economy and challenges in the implementation of green financing in tofu MSMEs in Sumbermulyo Village. Based on the results of interviews and observations, it was found that most tofu MSMEs have not adopted environmentally friendly technology in their production process. In addition, there is still an information gap related to the green financing access mechanism, which makes it difficult for businesses to obtain financial support in line with sustainability principles. Thus, this study seeks to fill the existing gap by exploring more deeply how green financing schemes can be optimized to support the implementation of green economy in the tofu MSME sector.

Theoretically, this research has the potential to contribute to enriching the literature on the application of green economy and green financing in the MSME sector, which is still relatively limited in academic studies. Practically, the findings of this study can provide recommendations for tofu MSMEs in Sumbermulyo Village to integrate environmentally friendly business practices in their activities. By optimizing the green financing program, tofu MSMEs in Sumbermulyo Village can increase productivity while contributing to sustainable development goals, which include economic, social, and environmental dimensions holistically.

## METHOD

### Research Design

This research uses a qualitative approach with a descriptive design, which aims to deeply understand the application of the green economy concepts through green financing in MSMEs in the tofu production sector in Sumbermulyo Village, Jogoroto Sub-district. The qualitative approach was

chosen because it allows for a deeper exploration of social phenomena, emphasizing an understanding of experiences, thoughts, and the dynamics occur in green economy practices at the MSME level. Qualitative research is also considered appropriate because it provides flexibility in revealing complex social realities through data in the form of interviews, observations, and documentation (Dharmawan, 2019).

**Researcher Presence**

In this research, the researcher acts as an independent researcher who has no structural or financial relationship with tofu MSMEs in Sumbermulyo Village. The researcher conducted participant observation where the researcher actively participated in tofu MSME activities and interacted directly with business owners. To conduct the research, the researcher will visit the research location at a scheduled or unscheduled time to conduct he survey.

The research location is the area or place where the researchers will carry out research activities. Therefore, determining a place for research location means that the object and purpose of the research has been determined, making it easier for the researchers to conduct research. The research was conducted at tofu MSMEs in Sumbermulyo Village, Jogoroto District.

**Research Stages**

According to (Sa'adah, 2023), in qualitative research, the process begins with the data collection stage, followed by data reduction and classification, then data presentation, and ends with drawing conclusions. As for the stages in qualitative research, it is described as follows:

1. Determining the Location and Subjects of Research
   Determining the location to collect research data, including how long you want to conduct research, the subjects you want to study, and the sources of information needed during the research process.
2. Collection Data
   One of the ways that can be used to collect data is through observation, in-depth interviews with informants and focus group discussions.
3. Data Reduction and Classification
   This process aims to filter the raw data, with researchers selecting the most relevant information to support ongoing research. Qualitative data can be obtained through observation and interview methods, so sequencing is needed to make it easier to classify data.
4. Data Display
   In this stage, the researcher arranges the rows and columns of the matrix for qualitative data and determines the type and format of data to be entered into the matrix.
5. Drawing Conclusions
   The final action is to draw conclusions. The conclusion should include all the important information obtained from the research. In addition, the conclusions are conveyed in clear, easy-to-understand and straightforward language.

**Sources and Data Collection Techniques**

Data is things known assumed, meaning data is something that is assumed or known. Data can provide information about a condition or problem. Basically, the advantage of data that is processed and analyzed later is as an objective basis in the process of making various decisions or policies to solve problems to make decisions (Situmorang & Lutfi, 2021).

At this stage, researcher channel information obtained from various data sources needed to achieve research objectives. According to (Siyoto, SKM., M.Kes, D. S., & Sodik, M.A, 2015) data sources are divided into two parts, namely:

1. Primary Data

Primary data is often referred to as original or the latest data, having characteristics that are always up to date. To obtain primary data, researchers need to collect information directly. In this research, primary data sources consist of 11 people, namely 10 tofu processing business owners in Sumbermulyo Village, Jogoroto Subdistrict as the main informants and one supporting informant, namely the head of Sumbermulyo Village.

The selection of informants was done using purposive sampling technique, which is the deliberate selection of samples based on their direct involvement in tofu production and the potential for green economy implementation. This number of participants is considered representative enough in qualitative research because it allows in-depth exploration of the experiences, understanding, and challenges faced by MSME players in implementing the concept of green financing. In addition, this approach emphasizes the depth of information rather than the quantity of respondents, so that the analysis conducted can provide a comprehensive picture of the dynamics of green economy implementation in the tofu MSME sector.

2. Secondary Data

Secondary data refers to data obtained by the researcher from various pre-existing sources, so the researcher act as a second data users. In this study, secondary data was collected from books, journals, and websites on the internet.

Data collection methods applied by researcher include observation, interviews, triangulation, and documentation (Sa'adah, 2021). Observations were conducted directly in Sumbermulyo Village, covering six hamlets with many tofu businesses, to obtain relevant field data. Semi-structured interviews were conducted with tofu MSME owners to explore information related to business profiles, green economy implementation, and the use of environmentally friendly funding (Yuliawati et al., 2015). If the data was deemed insufficient, the observations was extended until the data was considered credible. Triangulation is used to increase data validity by combining data from various sources and methods. Triangulation involves two approaches, namely source triangulation (comparing information from various informants) and technique triangulation (using various methods such as interviews, observations, and documentation). This method aims to verify and deepen the data obtained (Sriwijaya, 2020). Documentation includes data collection in the form of photos, videos, and sound recordings, which support the needs of scientific research. This approach ensures that the data obtained is accurate, relevant, and supports the research objectives (Ayumsari, 2022).

**Data Analysis Techniques**

The data obtained through a qualitative descriptive approach, with the following stages (Sugiyono, 2017) :

1. Data Reduction

   Information obtained through observations, interviews, and documentation is classified and selected to find information related to the research topic. Unrelated or repetitive data was eliminated, so that only information that suited the research objectives is retained.
2. Data Collection

   The simplified data was organized and presented in a narrative format, tables, or diagram format that made it possible to draw conclusions more easily. This data presentation helps in understanding the main patterns and significant findings related to the implementation of green financing in tofu MSMEs.
3. Conclusion Drawing

The final stage of data analysis is the drawing of conclusions based on the results of observations, interviews, and documentation that have been processed. The conclusions are then verified through data triangulation, which involves comparing the results of observations with the interview process and documentation collection to ensure the accuracy of the findings.

**Data Validity Check**

Data validity checks aim to ensure the findings of the research are valid and can be accounted for through three approaches: credibility, transferability, and confirmability (Moleong, 2018). Credibility is tested by extending observation, triangulation, comparing research results with references, and using authentic materials such as photos or documents. Transferability measures the extent to which the research results can be compared and applied to other studies, using indicators from the green economy index and green financing. Confirmability ensures the research process can be verified by involving supporting informants to validate the data. This approach ensures that the data obtained is relevant, reliable, and useful.

## RESULTS AND DISCUSSION

### DEVELOPMENT OF TOFU BUSINESS IN SUMBERMULYO VILLAGE

**Number of tofu Processing in Sumbermulyo Village**

**Table 1. Tofu Processing Production Business Data**

| Business Owner | Location | Age of Business | Workers |
|---|---|---|---|
| Mr. Imam Nahrowi | Semanding Village | 19 year | 15 |
| Mr. Kusaini | Semanding Village | 12 year | 30 |
| Mr. Miftakul Karim | Semanding Village | 26 year | 25 |
| Mr. Heri Budi Santoso | Sidowaras Village | 3 year | 5 |
| Mrs. Zila | Bapang Village | 17 year | 20 |
| Mrs. Nur Azizah | Bapang Village | 20 year | 10 |
| Mrs. Mahmuda | Bapang Village | 24 year | 19 |
| Mrs. Wiwik Zuriyah | Bapang Village | 23 year | 25 |
| Mrs. Astutik | Bapang Village | 12 year | 15 |
| Mr. H. Nur Yatim | Bapang Village | 12 year | 30 |

*Source: Interviews 2024*

Sumbermulyo Village has 74 tofu processing industry associations spread across Semanding, Sidowaras, and Bapang Hamlets. This study selected 10 tofu MSME players as informants based on the variables business capital and length of business, to analyze the implementation of green financing and the funding patterns used. The selection of hamlets was based on the diversity of the number of business owner: 3 in Semanding, 1 in Sidowaras, and 6 in Bapang.

**Marketing Areas and Types of Equipment**

**Table 2. Marketing Area and Equipment Types**

| Business Owner | Marketing Area | Type of Equipment |
|---|---|---|
| Mr. Imam Nahrowi | Surabaya | Kettle engines, dynamo engines, milling machines, sieves and scrapers. |
| Mr. Kusaini | Surabaya | Dynamo machine, kettle machine, sieve, and scraper. |
| Mr. Miftakul Karim | Kertosono and Bojonegoro. | Soybean milling machine (selep), sanyu, boiler machine. |
| Mr. Heri Budi Santoso | Surabaya and Jombang. | Dynamo engine, boiler engine, milling machine and molding board. |
| Mrs. Zila | Plandaan, Sidoarjo and Rejosari. | Soybean grinding machine (selep), filter cloth, tofu printing board, and boiler machine. |
| Mrs. Nur Azizah | Kandangan | Soybean grinding machine (selep), filter cloth, tofu printing board, and boiler machine. |
| Mrs. Mahmuda | Surabaya, Madura and Mojokerto. | Dynamo machine, soybean grinding machine (selep), filter cloth, tofu molding board, and boiler machine. |
| Mrs. Wiwik Zuriyah | Gresik, Mojokerto, Peterongan, Cukir and Mojoagung. | Dynamo machine, soybean grinding machine (selep), filter cloth, tofu molding board, and boiler machine. |
| Mrs. Astutik | Ploso | Kettle machine, dynamo, soybean grinding machine (selep), filter cloth, tofu molding board and dessel. |
| Mr. H. Nur Yatim | Surabaya and Gresik | Kettle machine, soybean grinding machine (selep), boiling pot and strainer. |

*Source: Interviews 2024*

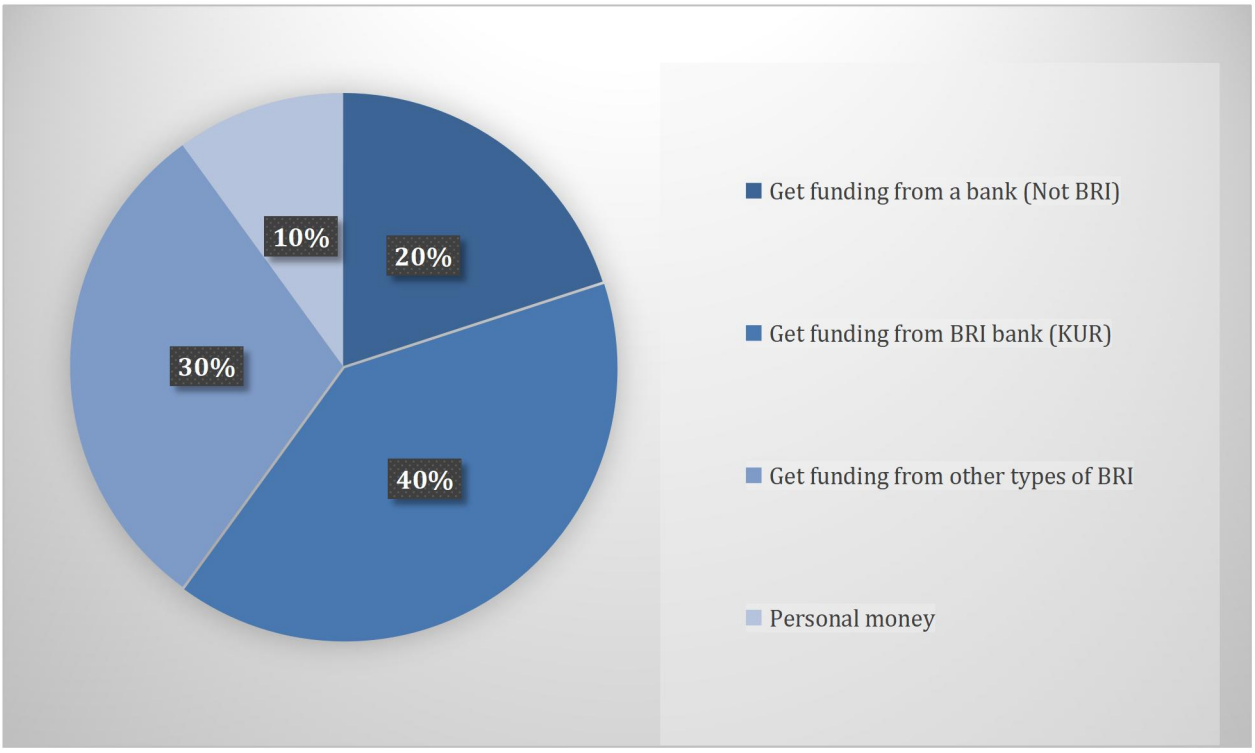
The tofu-making process in Sumbermulyo Village includes soaking, grinding, cooking, filtering, agglomerating, molding, and cutting with variations in duration, equipment, and final product characteristics. Common types of tofu produced are white tofu and fried tofu, as well as several other variants such as round, yellow, milk and crispy tofu. Some producers have started using modern equipment such as grinding machines to improve efficiency, although most processes are still done traditionally. The main challenge is maintaining product quality according to food safety standards and consumer preferences. Tofu marketing is generally limited around the production area, but some producers have reached out to big city markets such as Surabaya, indicating a wider market potential. Modernizing production and marketing is key to improving the competitiveness of tofu from this village. Modernization of production and marketing is key to improving the competitiveness of tofu from this village.

**Revenue and Funding Sources Know**

Revenue and funding sources are key factors in business sustainability. Based on interviews with 10 tofu MSME player in Sumbermulyo Village, their monthly income varies between IDR

5,000,000 and IDR 60,000,000, depending on the production scale, product type, selling price, and market reach.

**Figure 3.1 Bank Credit Funding**




*Source: Interviews 2024*

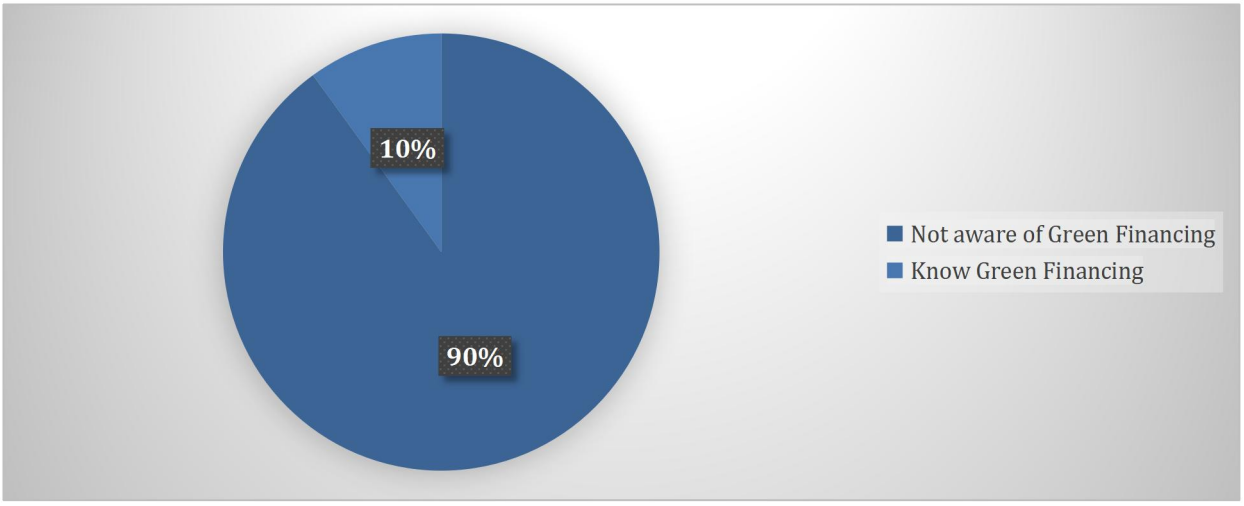
The majority of tofu businesses are funded through a combination of personal capital and bank loans, particulary from BRI with its Kredit Usaha Rakyat (KUR) program. As many as 40% of respondents use BRI's KUR program due to the convenience of low interest rates and light requirements, while another 30% choose other types of BRI funding. The rest used personal capital (10%) or funding from non-BRI banks (20%).

Some business owners , such as Mr. M. Kusaini and Mr. H. Nur Yatim, managed to expand their businesses through KUR, while Ms. Astutik continued to rely on personal capital without applying for a loan. These funding choices reflect the needs and priorities of each entrepreneur, both in terms of the efficiency access to capital and the need for business development. The KUR program has proven to be attractive MSMEs, but some businesses have yet to take advantage of green financing options.

**Green Financing Schemes**

Green financing is an innovative approach to finance that aims to increase investment in projects that area sustainable and support the environment. In addition to providing economic benefits, green financing scheme also contribute to addressing global environmental challenges and achieving sustainable development goals (Ozili, 2022).

**Figure 3.2 Respondents' Knowledge of the "Green Financing" Funding Scheme**




*Source: Interviews 2024*

Green financing is an innovative funding scheme that supports investments in sustainable and environmentally friendly projects, providing economic benefits while helping to address global environmental challenges (Sartika, 2023). However, out of 10 tofu MSMEs in Sumbermulyo Village, 10% of MSME players admitted that they had never received socialization related to green financing, and 90% did not have a clear understanding of the application mechanism, as stated by one business player: "I only know about KUR, I never heard about green financing from the government."

When compared to data on MSMEs in the footwear processing sector in Bandung City (Yuliawati et al., 2017) where only 7% of businesses understand green financing, this figure is similar to the findings in Sumbermulyo Village, which is only 10%. This suggests that low green finance literacy is a national issue, not just a local one. Another study by Dary Alifah Herdijani (2023) that examined MSMEs in Cipamokolan, Bandung City, showed that although almost 60% of the businesses have implemented energy-saving practices, they are not explicitly aware of the concept of green financing. These comparative results reinforce the finding that the low level of understanding about green financing is a common constraint in various MSME sectors, not just in the tofu industry.

By looking at the results of this comparative study, it appears that the main challenge in implementing green financing is not only in the technical aspects of funding, but also in the lack of education and socialization to business actors. Therefore, it is necessary.

**Analysis Of The Readiness Of Tofu Msmes Towards Green Economy**

The readiness of tofu MSMEs in Sumbermulyo Village to implement a green economy is still starting to emerge through various waste management efforts that refer to the 3R principles (Reduce, Reuse, Recycle). These steps have the potential to increase production efficiency while supporting environmental sustainability (Arin Setiyowati, Yuana Tri Utomo & Ivan Rahmat Santoso, Sulistyowati, Eni Haryani Bahri, Erni Zulfa Arini, Sutrisno, Ageung Suriabagja, Husni Mubarrak, 2023). To realize an effective transition to a green economy, comprehensive solutions are needed that include efficient waste management and access to funding schemes that support business sustainability. Further support through education and collaboration is expected to strengthen the application of this concept in the tofu MSME sector (Auliya & Nurhadi, 2023). For example, from field observations, only two out of ten MSMEs use waste treatment technologies such as filters or holding ponds, indicating a low level of green technology practices despite awareness of the importance of the issue.

Waste management practices by tofu MSMEs in Sumbermulyo Village under the concept of reduce still face various obstacles, mainly due to limited knowledge, inadequate processing facilities, and old habits that are difficult to change. Most business owners choose to dispose of production waste because processing costs are considered too expensive. In addition, the management of used sacks is mostly done by reselling or reusing them as production containers. The results show that waste reduction efforts still need to be optimized through education, provision of supporting facilities, and implementation of more efficient and environmentally friendly waste management practices.

In the concept of reuse, there is a uniform strategy in the management of imperfect tofu pieces, where 9 out of 10 tofu business owners choose to process them into round tofu, a popular derivative product and considered an effective solution to minimize losses. In addition, the use of wood burning residue for cooking tofu also shows diversity, ranging from being discarded to being used as fertilizer for corn plants or material for burying buildings. This reflects that the surrounding community still has good traditional knowledge in utilizing waste for various needs.

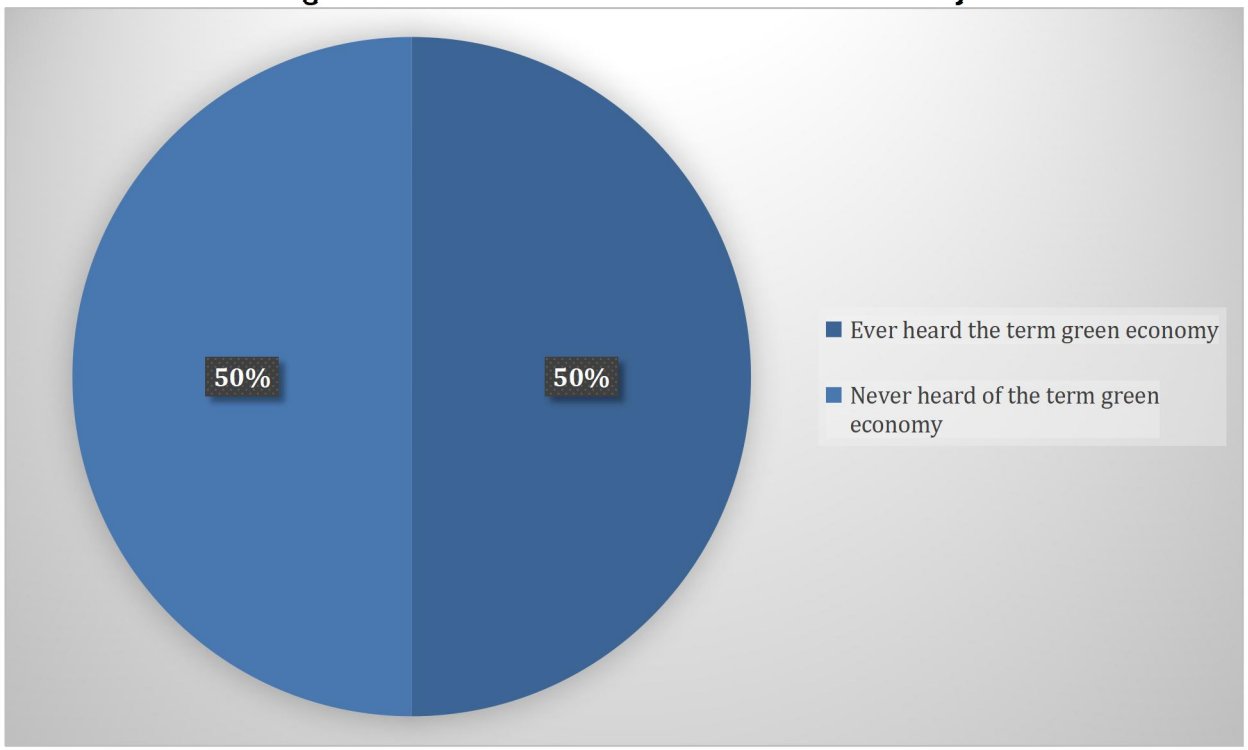
Meanwhile, the context of waste recycle among tofu MSMEs shows great potential for better management. An example of good practice can be seen from Mr. Miftakul Karim's business, which processes tofu pulp into animal feed and sells it to local farmers, thereby reducing solid waste and increasing side income to IDR 1,000,000 per month. However, plastic waste management still requires more attention, as most business owners have not utilized waste banks. With education and government support, optimizing waste recycling can be realized to increase the contribution of tofu entrepreneurs in preserving the environment.

**THE APPLICATION OF GREEN FINANCING IN TOFU SMES**

The application of Green Financing to tofu MSME players reflects the importance of integrating the concept of sustainability in daily business practices. This is in line with the role of company management, which is the main driver in adopting Green Finance. In the context of tofu MSMEs, management that applies the principles of “Green Management” can encourage efficient use of energy, smarter management of tofu production waste, and the use of environmentally friendly technology, thus not only supporting environmental sustainability but also increasing business competitiveness in a sustainable manner (Uygur et al., 2015).

However, in the absence of standardized guidelines, the implementation of Green Finance risks being seen as a public formality or just an effort to fulfill regulations, even though there are business actors who actually implement these principles sincerely without publicizing it (Baharudin, 2023). Therefore, efforts are needed to increase public awareness of the importance of environmental protection and build partnerships based on environmental sustainability (Shaumya & Arulrajah, 2016). With this step, tofu MSME players not only contribute to environmental preservation, but build public trust in authentic and impactful sustainability practices (Sarfiah et al., 2019).

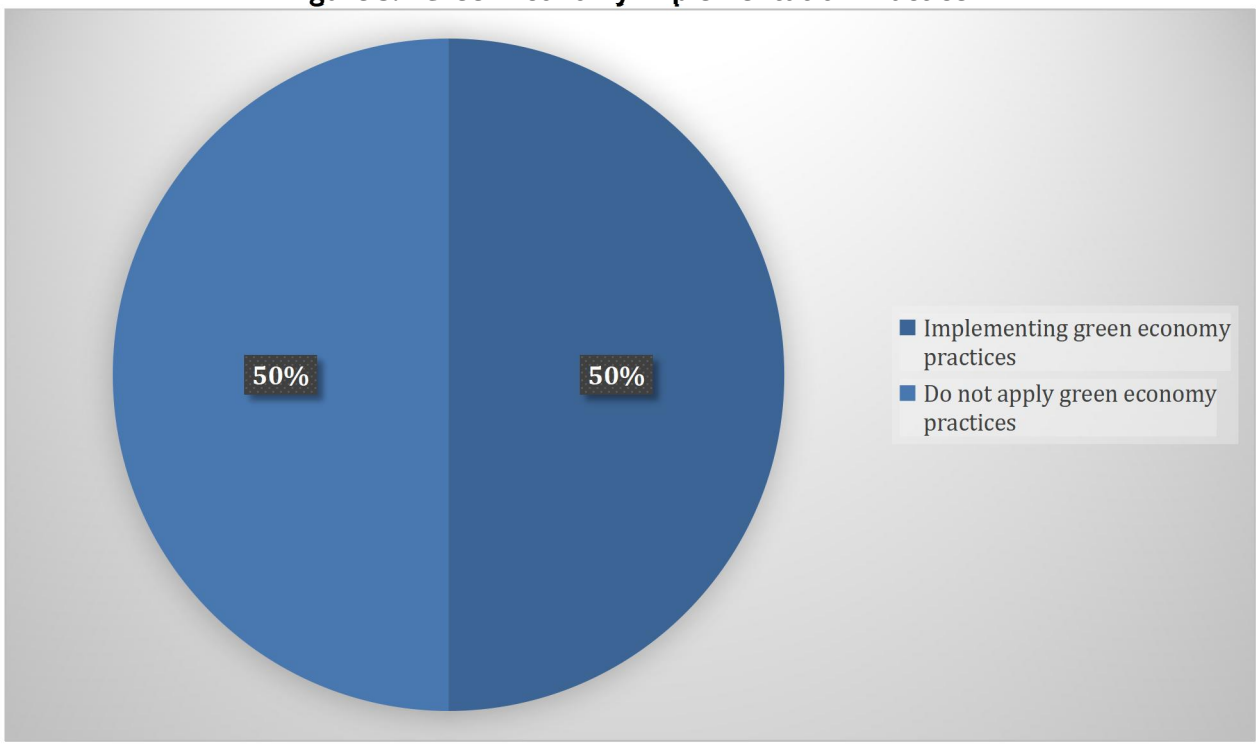
**Figure 3.3 Ever Known/Heard of The Green Economy**




*Source: Interviews 2024*

Knowledge of green financing is increasingly important to encourage sustainable investment and minimize environmental risks (Akomea-Frimpong et al., 2022). However, in Sumbermulyo Village, only 50% of the 10 MSMEs know about the concept of a green economy, while the rest do not. Lack of socialization is the main obstacle.

**Figure 3.4 Green Economy Implementation Practice**




*Source: Interviews 2024*

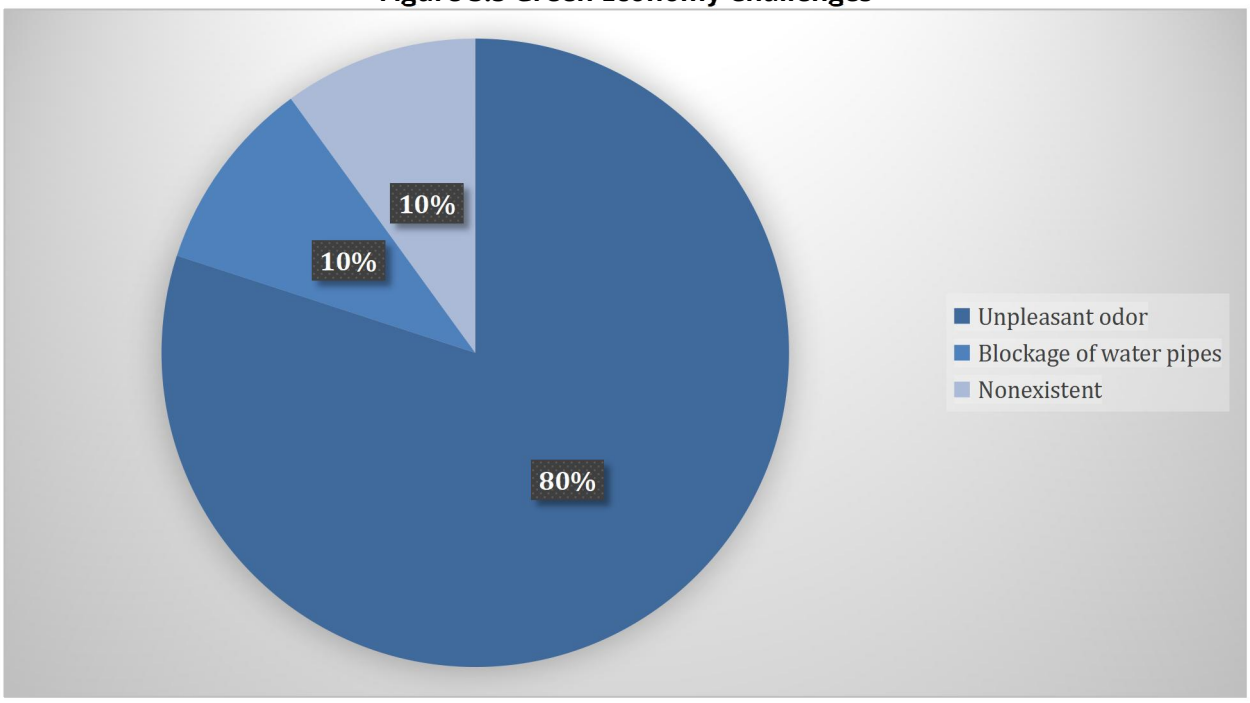
As many as 50% of MSMEs have implemented the green economy by utilizing tofu waste as animal feed for production efficiency and cost reduction. However, the odor of the waste produced is a major obstacle in realizing green economy principles as it impacts the environment and public health.

Banks have a central role in green financing by supporting sustainable projects, including renewable energy and waste management. This support can help MSMEs know how to adopt environmentally friendly technologies, manage waste, and improve production efficiency, thereby promoting local economic growth while preserving the environment (Berensmann & Lindenberg, 2016).

**Challenges Of Green Economy Implementation**

The implementation of green economy in tofu MSMEs faces challenges such as lack of access to green technology, green funding, and low awareness of environmental conservation. One of the main goals of the green economy requires policy and regulatory reforms that may hinder or support its achievement (Al-Taai, 2021).

**Figure 3.5 Green Economy Challenges**




*Source: Interviews 2024*

This study found that the pungent smell of production waste is a major challenge for tofu MSMEs in Sumbermulyo Village, especially during the dry season. As many as 80% of respondents complained about the unpleasant odor that disturbs community comfort and has the potential to pollute groundwater sources.

The main obstacles are the lack of waste treatment facilities, lack of technological knowledge, limited capital, and ineffective waste management regulations. Waste is often disposed of carelessly, causing environmental pollution and health risks. Suggested solutions include the provision of incentives for the installation of simple WWTPs, training on organic waste management, and collaboration between the government, businesses and communities.

**Expectations Of Tofu Smes**

Tofu businesses expect the government to provide easily accessible funding programs, along with training and mentoring, to improve productivity, product quality and sustainable

production practices. This support is expected to create an environmentally friendly tofu industry that provides economic and environmental benefits (Dewi, 2024).

Some business owners, such as Mr. M. Kusaini, are optimistic that the program can be used to purchase modern equipment and build waste management facilities, thus supporting the growth of a productive and clean business. Meanwhile, constraints such as age and distrust of banks, as expressed by Mrs. Siti Mahmuda and Mrs. Astutik, point to the need for flexible funding without complicated processes.

In addition, attention to environmental cleanliness is a top priority, as stated by Mr. Miftakul Karim and Mr. Heri Budi Santoso. Government support is expected to encourage businesses to treat waste effectively, install simple WWTPs, and expand their businesses without polluting the environment.

In conclusion, government funding programs have the potential to strengthen tofu businesses through increased production capacity, competitiveness, and sustainability, while encouraging collaboration between businesses and research institutions to create environmentally friendly technologies.

## CONCLUSION

This study concludes that the implementation of green economy in tofu Micro, Small and Medium Enterprises (MSMEs) in Sumbermulyo Village shows that tofu MSMEs in Sumbermulyo Village generally do not fully understand and apply the principles of green economy. Most tofu MSME players do not fully understand the concept of green economy and broader sustainable practices, so the implementation is still limited to several aspects such as simple waste management. The lack of education and mentoring on the long-term benefits of green economy is one of the main factors causing the slow adoption of this concept in the tofu MSME sector.

Meanwhile, the challenges of green financing in supporting the implementation of green economy in tofu MSMEs in Sumbermulyo Village include low financial literacy, lack of socialization, and difficulties in meeting the requirements of environment-based funding. Although green financing has great potential to help MSMEs shift to more environmentally friendly business practices, the majority of MSME players do not know this concept in depth. Most MSMEs still rely on conventional loans from banks, especially through BRI's KUR program, while personal capital is generally used as startup funds. Unfortunately, the use of green financing is still not optimal due to limited information and technical constraints in its implementation.

To overcome this challenge, a deeper exploration of policies that can support the affordability of green financing for MSMEs as well as practical recommendations that can be implemented directly by businesses is needed. Efforts such as increasing green finance literacy, more intensive socialization of environment-based financing schemes, and simplifying access procedures to green financing can be concrete steps in accelerating the adoption of green economy in the tofu MSME sector. With a more systematic approach and support from various parties, tofu MSMEs in Sumbermulyo Village have the potential to develop more sustainably and contribute to environmentally friendly economic development.

## REFERENCES

Akomea-Frimpong, I., Adeabah, D., Ofosu, D., & Tenakwah, E. J. (2022). A Review Of Studies On Green Finance Of Banks , Research Gaps And Future Directions. *Journal Of Sustainable Finance & Investment*, *0*(0), 1–24. Https://Doi.Org/10.1080/20430795.2020.1870202

Al-Taai, S. H. H. (2021). *Green Economy And Sustainable Development Green Economy And Sustainable Development*. Https://Doi.Org/10.1088/1755-1315/779/1/012007

Anwar, M. (2022). Green Economy As A Strategy In Dealing With Economic And Multilateral Problems. *Journal Of Tax And State Finance*, 343–356.

Arin Setiyowati, Yuana Tri Utomo, M. Y., & Ivan Rahmat Santoso, Sulistyowati, Eni Haryani Bahri, Erni Zulfa Arini, Sutrisno, Ageung Suriabagja, Husni Mubarrak, A. P. (2023). *Green Economy And Sustainable Development* (M. E. Rahmat Kurnia, S.E. (Ed.); Cetakan Pe, Issue March). Az-Zahra Media Society Member.

Auliya, F. N., & Nurhadi. (2023). Towards a Sustainable Green Economy: Challenges And Opportunities For Long-Term Environmental And Economic Stability. *Journal Of Community Service Nusantara (Pengabmas Nusantara)*, *5*(2), 97–102. Https://Doi.Org/Https://Doi.Org/10.57214/Pengabmas.v5i2.304

Ayumsari, R. (2022). The Role Of Information Documentation On The Sustainability Of Student Organization Activities. *Journal Of Library And Information Science*, *6*(1), 63–78.

Baharudin, B. S. (2023). *The Effect Of Green Finance Implmentation On Firm Value In The Banking Industry In Indonesia*.

Berensmann, K., & Lindenberg, N. (2016). *Green Finance : Actors , Challenges And Policy Recommendations*. 23. Https://Ssrn.Com/Abstract=2881922

Dewi, L. S. (2024). *The Role Of Banking In Supporting Green Economy Through Green Financing Program*. 161–168.

Dharmawan, M. A. (2019). *The Effectiveness Of Non-Celebrity Endorsement In Building Brand Image Of Micro Small And Medium Enterprises (Umkm) Products In Makassar City*.

Herdijani, D. . (2023). *Analysis Of The Implementation Of Green Finance In Financing Schemes For Micro, Small And Medium Enterprises (Umkm) In Cipamokolan Urban Village, Bandung City*.

Moleong, L. J. (2018). *Qualitative Research Methodology* (Revised Edition). Pt. Remaja Rosdakarya.

Novindri, M. R., Hidayani, S., & Lubis, E. Z. (2020). Juncto : Journal Of Legal Science. *Journal Legal Science*, *2*(32), 60–67. Http://Jurnalmahasiswa.Uma.Ac.Id/Index.Php/Juncto

Novitasari, A. T. (2022). Umkm Contribution To Economic Growth In The Digitalization Era Through The Role Of Government. *Journal Of Applied Business And Economic (Jabe)*, *9*(2), 184–204.

Ozili, P. K. (2022). Green Finance Research Around The World : a Review Of Literature. *International Journal Of Green Economics*, *June*. Https://Doi.Org/10.1504/Ijge.2022.10048432

Pradani, R. F. E., Amalia, L. E., Ismawati, H., & Holifah, I. (2023). Umkm Tofu In The Tofu Hamlet Of Situbondo District. *Journal Of Economic Education (Jupe)*, *11*(1), 19–25. Https://Doi.Org/Https://Doi.Org/10.26740/Jupe.v11n1.p1 9-25

Rizka Zulfikar, Stp., M. M., & Prihatini Ade Mayvita, S.E., M.M. Purboyo, S.E., M. M. (2019). *Introduction To Green Economy* (First Print). Deepublish.

Sa'Adah, L. (2021). *Economic And Bussiness Research Methods* (Lailatus (Ed.); First Printing). Lppm Universitas Kh. A. Wahab Hasbullah.

Sa'Adah, L. (2023). *Qualitative And Quantitative Analysis* (Sulaiman (Ed.); First Printing). Cv. Mitra Ilmu.

Sarfiah, S. N., Atmaja, H. E., & Verawati, D. M. (2019). Umkm As A Pillar Of Building The Nation'S Economy. *Journal Rep (Economic Development Research)*, *4*(1), 137–146. Https://Doi.Org/Http://Dx.Doi.Org/10.31002/Rep.v4i2.1952 Sudati

Sartika, R. (2023). The Effect Of Liquidity And Green Financing On Financing Risk Study At Pt Bank Muamalat Tbk*, Periode 2013-2022*.

Shaumya, K., & Arulrajah, A. A. (2016). *Measuring Green Banking Practices : Evidence From Sri Lanka*. 999–1023.

Situmorang, S. H., & Lutfi, M. (2021). *Data Analysis For Management And Business Research*. *3 Rd*(July).

Siyoto, Skm., M.Kes, D. S., & Sodik, M.A, M. A. (2015). *Basic Research Methodology*. Literacy Media Publishing. Https://Books.Googleusercontent.Com/Books/Content?Req=Akw5Qaebhc8xxgy-Bdqj6zoyzdshkap_Tzh57ddmxfyjkrxowp-u3757Pyw6Mxxpnqfpssri25rlckqbfuirkbwzfe_Bsdn3ggmofqoahxbstttxjq4ywij5Gur5pmlynae6b2sle9xgthrjbtvs9wrk3bjmanq8Xwo1Ytblvgb5Js19Zyqra0Rebbd_Khpf273Yzugza

Sriwijaya, U. (2020). The Art Of Managing Data: Application Of Triangulation Of Techniques, Sources And Time In Social. *Journal Of Historical Education Studies, Research & Development*, *5*(2), 146–150. Https://Doi.Org/Https://Doi.Org/10.31764/Historis.Vxiy.3432

Sugiyono. (2017). *Quantitative, Qualitative, And R&D Research Methods*. Alfabeta.

Uddin, M. N. (2016). Shari ' Ah Based Banking And Green Financing : Evidence From Bangladesh. *Journal Of Business And Management (Iosr-Jbm)*, *18*(1), 79–90. Https://Doi.Org/10.9790/487X-18137990

Uygur, A., Musluk, B. Y., & Ilbey, N. (2015). Examining The Influence Of Green Management On Operation Functions : Case Of A Business. *Research Journal Of Business And Management*, *2*(3), 348–365. Https://Doi.Org/10.17261/Pressacademia.2015312985

Widiyanti, Kiranawati, T. M., & Churiyah, M. (2022). *Application Of Technological Innovation Of Smart Tofu Processing Machine Solar Cell Energy For Tofu Entrepreneurs In Wates Village, Kediri, East Java*. *3*(April 2022), 58–61.

Yuliawati, T., Rani, A. M., & Assyofa, A. R. (2015). *Effectiveness Of Green Financing Implementation As An Alternative To Sustainable Financing For Msmes In The Footwear Processing Industry Sector In Bandung City*. 152–162.