

# Analysis of enterprise financing path under the concept of green finance

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**Abstract:** As the main component of market economy, the development of enterprise is related to the prosperity of social economy. And for enterprises, want to get long-term development, it is necessary to have sufficient funds and invest in adapting to the development strategy of enterprises, in order to expand the scale of enterprises, to solve business problems. However, at present, many enterprises have financing difficulties, which makes some enterprises with good prospects shut down or be acquired because of insufficient funds. Based on this, how to effectively innovate the financing path of enterprises and promote the effective development of market economy has become the main problem at present. Starting from the concept of green finance, this paper analyzes the current phenomenon of enterprise financing difficulties, so as to find the appropriate financing channels and provide a modest force for social and economic development.

**Key words:** Market economy; Enterprise financing; Green finance

## Foreword

Financing refers to the way for enterprises to absorb and raise funds through different channels. Its purpose is to help enterprises raise needed funds, so as to maintain the operation and development of enterprises and meet the related needs of enterprises for funds. Green finance, on the other hand, is a financial model that emphasizes the sustainable development of the financial market and the coordinated development of economy and ecology. The main purpose of this financial model is to solve the problems of financing difficulties and weak environmental awareness of enterprises, so as to obtain more financing channels for enterprises, and provide corresponding green financial products, so that enterprises can participate in environmental protection while obtaining sufficient funds, so as to achieve sustainable economic development. Therefore, based on the concept of green finance, the financing channels of enterprises should focus on environmental protection and sustainable development.

## 1. The concept of green finance and development results

### (1) Concept of Green Finance

The concept of green finance has two meanings, the first meaning is the environmental protection level, that is, the environmental protection into the financial field, in order to guide more enterprises to form a better sense of environmental protection, so as to realize the double development of our country's financial economy and environmental protection. The second meaning is to realize the sustainable development of the financial industry itself, by combating the chaos of the financial market and creating a good market atmosphere. In the concept of green finance, sustainable development is its core concept, that is, to guide economic entities to participate in environmental protection through financial activities, so as to promote the development of environmental protection and promote the realization of the strategic goal of carbon peak and carbon neutrality.

### (2) The significance of green finance development

Vigorously developing green finance can promote the development of our country's environmental protection, but also promote the sustainable development of our financial industry, thus establishing a long-term mechanism to realize the harmonious coexistence of economic construction and ecological civilization construction. Under the background of rapid economic development in our country, environmental protection problems come with it. Many industrial enterprises, in order to obtain more benefits, do not pay attention to carrying out environmental protection work, which also makes the environmental pollution serious in our country, is unfavorable to the ecological environment and the economic sustainable development. By carrying out green finance to build a green ecological economy system, we can better promote the development of environmental protection economic behaviors, and through the design of the corresponding incentive and compensation mechanism, we can achieve sustainable development.

In addition, green finance can effectively integrate environmental protection and financial development. In order to further exert the effect of green finance, it is necessary to clarify the relationship between environment and economy, and take it as the basis for economic and financial development.

### (3) Green finance development results

At present, China's green financial development results are mainly reflected in two aspects. The first aspect is the formation of a relatively perfect financial credit supervision system, and with the development of The Times, this system is still being optimized and improved. The concrete result is that the government has promulgated many systems to promote the green development of the financial industry, and put forward corresponding requirements for the green credit evaluation. In addition, relevant green finance development indicators have also been included in the performance appraisal, along with the corresponding credit evaluation and reward and punishment mechanisms have been established. Such a system has played a very good role in maintaining the development of green finance in China, and has also laid the direction for the future development of green finance.

The second aspect is that under the promotion of policies, the proportion of total loans in China's financial industry is constantly increasing. Although it does not occupy a dominant position in the market at present, its development speed and development prospects have far exceeded other financial products, which is also one of the main achievements of the current development of green finance.

## **2. The concept of green finance under the enterprise financing problems**

### **(1) Different evaluation standards for green finance projects**

In the current development process of green finance, many financial institutions still lack the ability to evaluate corporate environmental factors, and lack a complete and correct understanding of environmental protection, which eventually leads to problems in assessing the impact of environmental factors on corporate investment returns, resulting in a series of negative impacts. For example, the investment benefits of some enterprises with high pollution and high energy consumption are overevaluated, while those enterprises with environmental protection awareness and benefits for environmental protection cannot be correctly evaluated, which leads to the unreasonable application of project funds of green finance, resulting in difficulties in the development of green finance.

### **(2) Lack of innovation of green financial products**

At present, the main financial product in China's green financial market is still the bank's green credit. However, other financial institutions rarely participate in the research and development of green financial products, which also makes the innovation of green products in the financial field insufficient, and can not meet the needs of the corresponding enterprises for green financial products. In addition, the current development of China's green insurance and bonds has not improved significantly, can not effectively participate in the financial market, and the main reason for the above problems is that China's financial products in the innovative and advanced aspects of the lack of not only the lack of professional financial talents, but also the lack of corresponding incentive mechanism. Ultimately, green finance can not effectively promote the improvement of corporate financing efficiency.

## **3. Analysis of corporate financing path under the concept of green finance**

### **(1) Expand green financing channels**

If our country's financial institutions want to be able to expand green financing channels effectively, we should start with two aspects to solve it. The first aspect is to implement a variety of green financing channels. First of all, enterprises can use the green financing warehouse to make comprehensive use of capital flow, logistics and information flow, cooperate with the relevant enterprises in the above process, and finally establish a sound financial cooperation mechanism to provide a good channel for more smes to carry out financing. And this way can also enhance the competitive advantage of commercial banks, so as to inject a shot in the arm into the financial market, so that the financial market becomes more dynamic. Secondly, financial institutions can take equity pledge financing as the latest financing channel to provide more enterprises with effective financing ideas and methods. However, in this process, it is necessary for financial regulatory departments to give corresponding guidance and strictly supervise financial institutions to review the equity of loan enterprises, so as to reduce financing risks. In this way, the internal option financing plan of the enterprise can be improved, and the market risk can be effectively dispersed. Finally, financial institutions should improve the supply chain and capital chain construction of enterprises, and formulate different financial financing service systems by establishing co-financing silos, so as to further meet the financing needs of enterprises and open the development market of green finance.

The second aspect is to provide support and help for green finance through the policy level, so as to promote its development. First of all, some enterprises with high energy consumption and high pollution should be strictly controlled through policies, and enterprises should be guided to realize green upgrading and transformation through innovative financial products. For example, financial institutions can provide Marine carbon sink income right pledge loans for fishery enterprises, calculate and evaluate the amount of carbon sink that can be formed by enterprises, reference the market price and pledge the expected carbon sink income right that can be realized by aquaculture Marine products as a means of enhancing credit, so as to issue loans and promote enterprises to realize green upgrading. In addition, the government can also cooperate with banks to promote corresponding green financial products, so as to increase the market demand for green finance and finally realize the development of green finance.

### **(2) Implementing green finance evaluation**

The implementation of green finance evaluation can reduce the occurrence of investment mistakes, and can truly provide special funds for green finance to enterprises in need, so as to promote the development of green finance. In order to implement green finance evaluation, financial institutions need to start from two aspects.

The first is to build a conventional evaluation mechanism, the conventional evaluation mechanism needs to evaluate the profitability and debt repayment ability of the enterprise, but also to verify the fund turnover rate and fund use efficiency of the enterprise, and audit all relevant financial factors, so as to understand the real financial situation of the enterprise. In addition, financial institutions also need to assess whether the enterprise has bad records, whether there is a mortgage guarantee and other phenomena, so as to ensure that the enterprise in the process of financing, there will be no credit problems, financial problems, etc., to ensure that the operating quality and profitability of financial institutions are not affected.

The second is to assess whether the industry in which the enterprise is located has enough green value, whether there is high energy consumption and high pollution, whether it can meet the relevant requirements of sustainable economic development and so on. After understanding these conditions, we can decide whether to provide corresponding green loans, help some enterprises in need of financing

development, and provide corresponding economic subsidies for green environmental protection enterprises.

### (3) Strengthen risk supervision and management

Any enterprise's financing behavior will have hidden risks, including debt financing repayment, interest rate and other risks. The main reason for the above risks is that in the process of financing, the bank did not investigate and study the actual situation of the enterprise itself in detail, so the phenomenon of unreasonable financing decisions appeared. In order to solve this problem, enterprises need to strengthen risk supervision and management, improve the relevant risk management system and unified risk assessment standards.

First of all, financial institutions should do a good job in the control of capital flow, and strengthen the scope of pre-loan examination and risk prevention and control. At the same time, the regulatory authorities should also strengthen the revision of relevant financing policies, so as to regulate the behavior of the financial market and reduce the probability of market risks.

Secondly, financial institutions need to disclose and share information for economic entities and financial entities, and the government and regulatory agencies should formulate management methods in line with the development of regional financial industry according to the actual situation of the financial industry and the phenomenon of the development of market economy. At the same time, the government should also take the lead in setting up a corresponding amount of information sharing platform to prevent information asymmetry. Only in this way can we truly strengthen risk supervision and management and promote the development of green finance.

### (4) Improve the trust guarantee system

Small and medium-sized enterprises have been at a disadvantage in the financial market for a long time, and there are problems such as single financing channels and backward guarantee methods. Therefore, in the process of financing, they seldom get the support of large guarantee companies. Based on this, under the concept of green finance, local governments should take the lead in establishing a green credit guarantee system and provide corresponding trust guarantee for small and medium-sized enterprises in the region to help them open financing channels and achieve better development. In order to further improve the trust guarantee system, it is necessary to speed up the construction of credit certification system, carry out credit certification according to the credit status, market share and development scale of enterprises, and encourage enterprises to improve their market credit strength by expanding projects. In addition, the government should improve the construction of relevant guarantee institutions, and set up different guarantee institutions and provide different guarantee services according to the different needs of large and small enterprises. In this way, the credit guarantee needs of different enterprises can be satisfied to a certain extent, so that more enterprises worthy of investment can obtain financing, so that they can go further and further on the development road of green finance.

## Epilogue

In summary, the development of green finance has brought a lot of help to the corporate financing of our country. Many enterprises can realize the transformation of their internal structure according to the concept of green finance, to strengthen environmental protection while realizing economic development, and really implement the concept of sustainable development of green finance. This has played a very good boosting role in the development of China's financial market and the improvement of the economic level. At the same time, there is still a long way to go for green finance to promote financing of smes, and it still depends on the joint efforts of the government, society and the financial market.

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