

# Bridging the Funding Gap: Financial Strategies for Sustainable Entrepreneurship

Harsh kalyani<sup>1</sup>, Shivakashi Sharma<sup>2</sup>, Arman Nadaf<sup>3</sup>, Param Patel<sup>4</sup>

<sup>1,2,3,4</sup>International Institute of Business Studies, Bengaluru, India

## Abstract

This study examines how sustainable startups can scale and attain the right financial support to make a lasting impact. It reviews recent research on how money, innovation and government policies that work together to help or limit sustainable businesses. Many sustainable ventures struggle to acquire traditional funding because investors tend to see them as risky or generating slow returns. New methods such as social impact investing, crowdfunding, venture capital and business angel networks are helping fill this gap by offering not only funds but also mentoring and networking. Government programs, policies and partnerships between the public and private sectors also play a pivotal role in creating a friendly environment for such ventures. The study further points out that better financial education, networking among entrepreneurs and strong innovation support can give a fresh perspective to financing. By bringing together findings of previous studies, this paper explains how innovative funding can help sustainable businesses grow faster. It also gives fresh insights to the policymakers, investors and entrepreneurs who aim to build a stronger and greener economy.

**Keywords:** Sustainable Startups; Green Innovation; Impact Investing; Crowdfunding; Venture Capital; Financial Support; Government Policy; Entrepreneurial Ecosystem; Sustainable Growth

## Introduction

Sustainable entrepreneurship has gained increasing attention in recent years as a driving force for both environmental conservation and inclusive economic growth. Entrepreneurs adopting sustainable business practices aim not only to generate profits but also to create positive social and environmental impacts. However, despite the rising interest in sustainability-driven ventures, access to adequate financing remains one of their greatest challenges. Due to their long gestation periods, uncertain market returns, and unconventional performance indicators, traditional investors often perceive these startups as risky. Consequently, a significant funding gap persists, limiting their ability to scale operations and create long-term value.

The lack of specialized financing mechanisms and the limited awareness among investors regarding sustainable business models further intensify this problem. Many startups are compelled to rely on informal or short-term funding sources, as traditional loans and equity options are often inaccessible. Recognizing these barriers, policymakers, investors, and researchers have begun exploring innovative financial instruments and blended funding models that can align capital with sustainability goals.

This challenge holds immense significance because it has the potential to reshape how economies evolve—encouraging innovation that yields not only profits but also broader social and environmental benefits. Financial innovations such as impact investing, green venture capital, crowdfunding, and

business angel networks have emerged as key mechanisms that link investor interests with sustainable outcomes. In addition, public–private partnerships and supportive government policies have proven vital in creating an enabling ecosystem for sustainable startups to flourish.

Therefore, the purpose of this paper is to investigate how various financial strategies can help bridge the funding gap in sustainable entrepreneurship. It reviews existing studies and current practices to identify challenges, evaluate the effectiveness of innovative financing approaches, and propose strategies that can guide entrepreneurs, investors, and policymakers in building a stronger and more sustainable entrepreneurial economy.

### **Aim and objective**

1. To identify the key financial challenges faced by sustainable entrepreneurs in accessing adequate funding.
2. To analyze the role of innovative financing mechanisms—such as impact investing, green venture capital, crowdfunding, and angel networks—in supporting sustainable startups.
3. To examine the contribution of government policies and public–private partnerships in promoting sustainable entrepreneurship.
4. To propose strategic recommendations for bridging the funding gap through combination of financial innovation, policy intervention, and entrepreneurial education.

### **Literature Review**

Recent studies indicate that financial innovation is critical to the expansion of long-term, sustainable enterprises. Sushmitha et al. (2025) claim that social impact investing allocates private capital to projects that yield measurable social and environmental benefits, benefiting both investors and society as a whole. Early-stage green startups usually face unique challenges in securing funding due to their limited collateral, unpredictable market demand, and lengthy gestation periods (Mukherjee et al., 2024; Futre, 2025). In order to bridge this resource gap, these studies highlight the necessity of innovative financial mechanisms and blended financing models.

Additionally, when navigating complex funding processes, sustainable business owners usually need both financial assistance and strategic guidance (Pilpani and Szighardtová, 2024). Business angels are essential in fostering green innovation by providing value-added investment, networking, and startup mentoring, according to Siefkes et al. (2025). Karnati (2025) emphasises the need for a shift in entrepreneurial finance to connect innovation with sustainable growth, while Sarkar (2025) discusses the supportive frameworks provided by the Indian government, including sustainability-driven policies and startup incentives. The future of sustainable entrepreneurship depends on integrating financial innovation, policy support, and entrepreneurial education into a cohesive funding ecosystem, as demonstrated by these findings taken together.

### **Research Methodology**

#### **Research Design**

This study adopts a qualitative and descriptive research design based on secondary data analysis to examine how financial innovations, government support, and entrepreneurial education together help bridge the funding gap in sustainable entrepreneurship. The research design integrates ideas from the Triple Bottom Line (TBL) framework (Elkington, 1997) and Institutional Theory, linking financial

inclusivity and innovation with sustainable growth. This theoretical grounding ensures that the research captures the interplay between economic viability (profit), social equity (people), and environmental stewardship (planet).

### Data Sources

The research relies exclusively on secondary data gathered from credible academic and institutional sources. Data were collected from Google Scholar, ResearchGate, JSTOR, and official government publications between 2020 and 2025. Selected materials include peer-reviewed journal articles, policy reports, and case studies related to sustainable finance and entrepreneurship.

International frameworks such as *Elkington's (1997) Triple Bottom Line* and *Cohen and Winn's (2007) sustainable entrepreneurship model* were incorporated alongside Indian studies (e.g., *Sushmitha et al., 2025; Sarkar, 2025*), providing both global and national perspectives.

### Sampling Design and Selection Criteria

Since the study is qualitative, a purposive sampling technique was used to select sources and case studies that directly address the funding challenges of sustainable startups. Literature and case examples were chosen based on three main themes:

1. Financial innovation and alternative funding mechanisms (e.g., impact investing, venture capital, crowdfunding).
2. Government policies and institutional support frameworks (e.g., SIDBI's Green Fund, Atal Innovation Mission, NABARD initiatives).
3. Entrepreneurial education and ecosystem development.

Indian startup cases such as ZunRoof, Bare Necessities, and SELCO were selected to illustrate practical examples of how innovative finance and policy support contribute to bridging the funding gap.

### Analytical Tools and Techniques

A combination of thematic, comparative, and engagement analyses was used to interpret the secondary data.

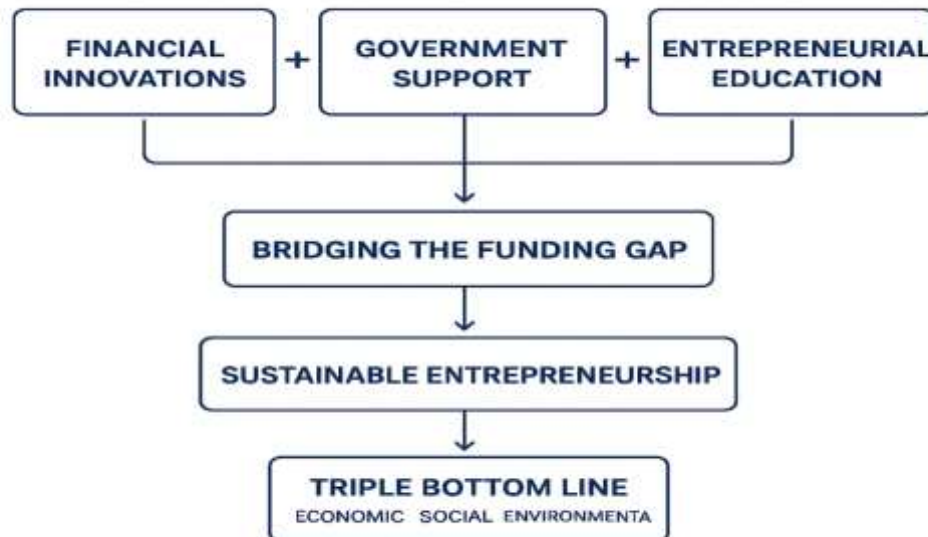
- Thematic Analysis: Identified recurring patterns related to funding barriers, investor behavior, and policy interventions.
- Comparative Analysis: Evaluated similarities and differences between Indian and international sustainable finance ecosystems.
- Engagement Analysis: Assessed the involvement of government agencies, such as SIDBI, NABARD, and NITI Aayog, in promoting sustainable entrepreneurship.

This multi-dimensional approach strengthens the reliability of findings and allows for a nuanced understanding of how financial, policy, and educational mechanisms interact in practice.

### Conceptual Framework

Drawing from Institutional Theory, Innovation Diffusion Theory, and the Triple Bottom Line Framework, this research develops a conceptual model illustrating how financial innovations, government support, and entrepreneurial education collectively contribute to bridging the funding gap and promoting sustainable entrepreneurship.

**Figure 1: Conceptual Framework for Bridging the Funding Gap in Sustainable Entrepreneurship**  
*Source: Developed by the author based on Institutional Theory and the Triple Bottom Line Framework (Elkington, 1997).*



**Figure 1.1: Conceptual Framework for Bridging the Funding Gap in Sustainable Entrepreneurship**

**Explanation:**

The model demonstrates that *financial innovations* (such as impact investing, venture capital, and blended finance) enhance access to capital, while *government support* (through favorable policies, tax incentives, and green funds) strengthens institutional backing. Simultaneously, *entrepreneurial education* improves financial literacy, innovation capacity, and investor readiness. Together, these factors bridge the funding gap, leading to the growth of sustainable entrepreneurship that achieves economic, social, and environmental outcomes — the core of the Triple Bottom Line.

**Scope and Limitations**

The study is limited to secondary data and conceptual synthesis; hence, empirical validation was not conducted. Findings are interpretive and context-based, focusing primarily on India with selective global insights. Future research could include primary data collection through surveys or interviews with sustainable startups and investors to empirically test this conceptual framework.

This methodology follows a structured and theory-driven approach, combining secondary data analysis, thematic evaluation, and a conceptual modeling framework to analyze how innovative financial tools, supportive policies, and entrepreneurial education work together to bridge the funding gap. The approach ensures analytical rigor and provides a comprehensive foundation for developing targeted recommendations for policymakers, investors, and entrepreneurs.

**Data Analysis and Findings**

The analysis is based on a thematic and comparative review of selected academic studies, government reports, and case examples of sustainable startups operating in India between 2020 and 2025. The objective

was to identify recurring financial barriers, innovative funding mechanisms, and institutional supports that together contribute to bridging the funding gap in sustainable entrepreneurship.

**The data revealed four dominant themes:**

1. The emergence of innovative financing mechanisms.
2. Shifts in investor perception and risk management.
3. The role of policy and institutional support.
4. The importance of entrepreneurial education and ecosystem development.

Each theme reflects one dimension of the conceptual framework, highlighting how financial, institutional, and educational components interact to promote sustainable growth.

**Innovative Financing Mechanisms**

A major finding is that traditional banking systems remain reluctant to finance sustainable startups due to perceived high risks, long payback periods, and uncertain profitability. However, this gap is increasingly being addressed through alternative financial instruments:

- **Impact Investing:** As highlighted by Sushmitha et al. (2025), social impact investing has become a key channel for mobilizing private capital into green startups that deliver measurable environmental and social outcomes.
- **Green Venture Capital and Business Angels:** Mukherjee et al. (2024) and Siefkes et al. (2025) found that venture capitalists and angel investors are gradually diversifying their portfolios toward sustainability-focused innovations.
- **Crowdfunding Platforms:** Futre (2025) emphasized that crowdfunding has democratized access to finance, particularly for startups that lack collateral or credit history.

**Indian Example:**

ZunRoof, a solar rooftop company, has successfully attracted impact investors and venture capital funds by aligning its business model with renewable energy goals. Similarly, Bare Necessities, a zero-waste lifestyle brand, utilized crowdfunding and seed-stage angel investment to scale its operations. These examples show how innovative financial mechanisms are reshaping access to capital for sustainable ventures.

**Investor Perception and Risk Management**

The analysis indicates that investor mindsets are evolving. While sustainable startups were once seen as low-return ventures, there is growing recognition of their long-term profitability and social value.

Business angels, according to Siefkes et al. (2025), contribute not just funding but strategic mentoring, market access, and credibility to green startups. However, mainstream investors still hesitate due to information asymmetry—limited data on the performance of sustainability-driven enterprises.

**Indian Example:**

SELCO Solar, which provides solar energy to rural households, overcame investor hesitation by adopting a hybrid funding model combining grants, impact investments, and micro-loans. This case illustrates how a balanced approach to risk-sharing can attract long-term capital and build investor confidence.

### **Policy and Institutional Support**

A key insight from the data is that government policies and institutional interventions play a crucial role in bridging the funding gap. The presence of targeted financial schemes and policy frameworks has made sustainable entrepreneurship more viable.

#### **Key initiatives include:**

- SIDBI's Green Fund and SMILE Program – offer concessional loans and equity support for green and innovation-led startups.
- NABARD's Climate-Resilient Agriculture and Green Finance Programs – provide soft credit to rural entrepreneurs and clean-energy ventures.
- Atal Innovation Mission (AIM) – supports incubation centers and accelerators for sustainability-driven startups.

#### **Indian Example:**

Under AIM's Atal Incubation Centres (AICs), several sustainable startups, including renewable energy and waste management ventures, have gained mentorship and early-stage funding. However, bureaucratic delays, lack of awareness, and uneven regional implementation remain major challenges.

This supports Sarkar (2025) and Karnati (n.d.), who argue that policy design alone is insufficient without proper execution and collaboration between public and private sectors.

### **Entrepreneurial Education and Ecosystem Development**

The findings confirm that entrepreneurial education and capacity building are essential for ensuring that startups can effectively access and manage funding.

As Pilpani and Szighardtová (2024) suggest, entrepreneurs with higher financial literacy and strategic awareness are more capable of engaging investors and sustaining their ventures.

Institutions such as IIM Bangalore's NSRCEL and IIT Madras Incubation Cell play a pivotal role by providing training, mentorship, and investor networking opportunities focused on green entrepreneurship.

#### **Indian Example:**

The SELCO Foundation's incubation program for rural clean-energy entrepreneurs demonstrates how targeted education and mentorship enhance financial readiness and social impact. Such programs contribute to ecosystem maturity by producing entrepreneurs who are both financially competent and sustainability-driven.

### **Integrated Findings and Interpretation**

Synthesizing across all themes, the analysis indicates that bridging the funding gap requires an integrated approach rather than isolated interventions.

- Financial Innovation supplies diverse funding channels.
- Government Policy reduces systemic risk and builds institutional confidence.
- Entrepreneurial Education ensures startups can efficiently utilize financial resources.

The interaction of these three factors aligns with the conceptual framework developed under Institutional Theory and the Triple Bottom Line approach, demonstrating that economic, social, and environmental goals can coexist when supported by coordinated financial and policy systems.

In short, sustainable entrepreneurship in India flourishes most when:

## Discussion

The findings of this research reaffirm that bridging the funding gap in sustainable entrepreneurship requires a systemic and collaborative approach that integrates financial innovation, supportive policy frameworks, and entrepreneurial education. The results also validate the conceptual framework developed in this study, which links *financial mechanisms*, *institutional support*, and *capacity building* to the achievement of the Triple Bottom Line (economic, social, and environmental sustainability).

This section discusses the broader implications of these findings in light of existing theories and practical realities, emphasizing the roles of financial institutions, government agencies, and entrepreneurs in building a more resilient and inclusive funding ecosystem.

## Interconnection Between Financial Innovation and Sustainability

The study supports Sushmitha et al. (2025) and Mukherjee et al. (2024), who argue that financial innovation serves as a bridge between sustainability objectives and investment viability. In India, mechanisms like impact investing, crowdfunding, and green venture capital have started to shift the financial ecosystem from risk aversion toward purpose-driven capital.

However, compared to developed markets, India still faces structural challenges—limited access to blended finance platforms, insufficient investor awareness, and lack of standardized sustainability metrics. While startups like ZunRoof and Bare Necessities demonstrate successful adoption of innovative financing, scalability remains restricted without robust institutional backing.

Thus, financial innovation alone cannot close the funding gap unless accompanied by supportive policies and a transparent monitoring framework that ensures both profitability and impact measurement.

## Government Policies as Institutional Enablers

Drawing from Institutional Theory, this study highlights the enabling role of policy frameworks in legitimizing and accelerating sustainable entrepreneurship. Schemes such as SIDBI's Green Fund, NABARD's green credit programs, and the Atal Innovation Mission (AIM) exemplify institutional mechanisms that de-risk investments and nurture early-stage ventures.

However, as Sarkar (2025) and Karnati (n.d.) emphasize, policy effectiveness depends on execution. Delays in fund disbursement, low policy awareness among startups, and limited coordination between ministries often dilute the intended impact. To maximize outcomes, the government should shift from a *regulatory* to a *facilitative* role — focusing on partnership-based models that leverage both public and private finance.

This finding aligns with the Institutional Theory perspective, which posits that when state institutions actively foster legitimacy and reduce uncertainty, entrepreneurial innovation flourishes more efficiently.

## Evolution of Investor Mindset and Ecosystem Maturity

The literature and case examples demonstrate that investors are moving from short-term profit motives toward long-term value creation through sustainability-linked investments. Business angels and impact investors not only provide funds but also deliver mentorship and market access, contributing to ecosystem maturity.

This transition resonates with the Innovation Diffusion Theory, which explains how novel financial practices—such as ESG investing and blended finance—gradually gain acceptance within investor

communities. Yet, challenges remain: conventional investors still apply traditional risk metrics that undervalue environmental and social performance.

Therefore, building standardized ESG performance indicators and impact assessment frameworks can help mainstream investors better evaluate sustainable startups and overcome biases about risk and return.

### **Role of Entrepreneurial Education and Capacity Building**

The analysis underscores that entrepreneurial education is a crucial pillar for reducing the funding gap. Financial literacy, strategic planning, and impact measurement skills enable entrepreneurs to communicate their value propositions more convincingly to investors.

Institutions such as IIM Bangalore's NSRCEL, IIT Madras Incubation Cell, and the SELCO Foundation's incubation program have shown how targeted mentorship enhances both financial management and sustainability leadership. These programs contribute to what Pilpani and Szighardtová (2024) describe as the knowledge-based evolution of sustainable entrepreneurship—where education transforms environmental concern into viable business innovation.

Hence, policy measures must integrate entrepreneurial training and education as formal components of national startup development strategies.

### **Integration with the Triple Bottom Line Framework**

The Triple Bottom Line (TBL) perspective—focusing on *People, Planet, and Profit*—emerges as the most effective lens to interpret these findings. The data reveal that:

- Financial innovation advances *profitability* and resource efficiency.
- Government policy ensures *social inclusion* through accessible funding and equitable opportunities.
- Entrepreneurial education sustains *environmental stewardship* by promoting responsible innovation.

Together, these elements produce a synergistic effect, validating the conceptual model developed in this study. Bridging the funding gap, therefore, is not a purely financial endeavour but a multi-dimensional developmental process that balances economic gain with social and ecological progress.

### **Comparative Insights and Global Relevance**

Comparative analysis indicates that countries with well-integrated financial-policy ecosystems (such as the UK, Germany, and the Netherlands) have achieved faster growth in green startups through public-private partnerships and blended finance. India's evolving startup landscape can learn from these examples by formalizing cross-sector collaborations and incentivizing impact-oriented investors.

However, India also presents a unique strength: a rapidly growing youth-driven entrepreneurship culture supported by government initiatives like Startup India and Digital India. If combined with robust green finance mechanisms, these programs can position India as a global hub for sustainable entrepreneurship.

#### **Concluding Interpretation**

In conclusion, the discussion establishes that bridging the funding gap is achievable only through a collaborative ecosystem involving financial innovation, institutional trust, and entrepreneurial competence.

By aligning financial systems with sustainability objectives and equipping entrepreneurs with the right knowledge and support, emerging economies like India can transform sustainability challenges into economic opportunities—driving inclusive, resilient, and environmentally responsible growth.

## Recommendations

Based on the findings and discussion, it is evident that bridging the funding gap in sustainable entrepreneurship requires coordinated efforts across policy, finance, and education systems. This section outlines targeted recommendations for three key stakeholder groups—policymakers, investors, and entrepreneurs—to promote a more inclusive, resilient, and sustainability-driven entrepreneurial ecosystem. These recommendations are aligned with the Triple Bottom Line (People, Planet, Profit) and grounded in the Institutional and Innovation Diffusion Theories, ensuring both theoretical and practical relevance.

### Recommendations for Policymakers

- 1. Develop Blended Finance Platforms:**  
Establish government-supported blended finance facilities that combine public grants with private investment. This reduces risk for investors while ensuring that sustainable startups have access to affordable capital. For example, partnerships between SIDBI and private impact funds could co-finance green technology ventures.
- 2. Simplify Access to Green Funding Schemes:**  
Streamline procedures for availing funds under programs like NABARD's Green Finance, AIM incubation grants, and SIDBI's SMILE Scheme. A single-window digital platform could be developed to integrate all sustainability-linked funding opportunities for entrepreneurs.
- 3. Create a National Green Investment Framework:**  
Introduce a standardized evaluation model for measuring environmental and social performance, aligned with global ESG (Environmental, Social and Governance) norms. This will help both investors and policymakers track the real impact of funding initiatives.
- 4. Strengthen Public–Private Partnerships (PPPs):**  
Encourage PPPs that leverage the technical expertise of private investors and the policy support of government agencies to fund sustainable startups. These partnerships can be particularly effective in sectors such as renewable energy, waste management, and circular economy enterprises.
- 5. Integrate Entrepreneurship Education in National Policies:**  
Incorporate financial literacy and sustainability entrepreneurship modules into national education programs and startup initiatives like Startup India and Digital India, ensuring that young entrepreneurs develop both business acumen and environmental responsibility.

### Recommendations for Investors

- 1. Adopt ESG-Based Investment Frameworks:** Investors should integrate ESG performance indicators into their decision-making to identify startups that generate both financial and social returns. This will also help mainstream financial institutions evaluate sustainable ventures more systematically.
- 2. Participate in Impact and Angel Networks:** Investors can engage with impact investing networks and green angel alliances that specialize in sustainable startups. Such collaboration enhances risk diversification and offers access to high-potential, early-stage ventures.
- 3. Support Capacity-Building Programs:** Partner with academic incubators and accelerators such as IIM Bangalore's NSRCEL, IIT Madras Incubation Cell, and SELCO Foundation to mentor entrepreneurs. Investors' technical knowledge and business experience can significantly improve startups' growth potential and financial discipline.

4. **Promote Long-Term Value Investing:** Shift focus from short-term financial returns to long-term impact value, supporting ventures with strong sustainability potential even if initial profits are slower. Over time, this builds stable portfolios and strengthens investor reputation.
5. **Encourage Green Financial Products:** Introduce instruments such as green bonds, sustainability-linked loans, and revolving credit funds tailored for sustainable small and medium enterprises (SMEs). This diversification in financial instruments can reduce dependence on traditional loans and equity.

### Recommendations for Entrepreneurs

1. **Enhance Financial Literacy and Investment Readiness:** Sustainable entrepreneurs should actively pursue financial management and investment-readiness training through incubators and accelerators. Understanding key concepts like valuation, ESG metrics, and crowdfunding strategies will improve their chances of attracting funding.
2. **Leverage Alternative Financing Channels:** Explore innovative funding platforms such as crowdfunding, impact investment portals, and peer-to-peer lending to reduce dependence on conventional banking systems. Startups like Bare Necessities and ZunRoof have demonstrated how alternative finance can enable early-stage scalability.
3. **Build Strategic Partnerships:** Collaborate with corporates, NGOs, and research institutions to co-develop sustainable products and services. Such alliances improve credibility and open access to new funding sources.
4. **Focus on Triple Bottom Line Outcomes:** Entrepreneurs must embed sustainability directly into their business models—demonstrating measurable benefits for *people, planet, and profit*. This alignment not only attracts investors but also enhances long-term competitiveness.
5. **Engage with Government and Incubation Programs:** Participate actively in initiatives such as AIM's Atal Incubation Centres, Startup India Seed Fund Scheme (SISFS), and State Innovation Missions. These platforms provide access to grants, mentoring, and investor networks that can accelerate business growth.

### To bridge the funding gap effectively, the research emphasizes a triple-action strategy:

- Empower entrepreneurs through education and ecosystem support.
- Mobilize capital through financial innovation and responsible investing.
- Enable governance systems that ensure transparency, accountability, and inclusion.

Together, these recommendations contribute to achieving the Triple Bottom Line and fostering a new generation of entrepreneurs who are not only profit-driven but also socially conscious and environmentally responsible.

### Research Gap

While existing research has explored various aspects of sustainable entrepreneurship and its financial mechanisms, there is still a limited understanding of how these different funding strategies can be effectively integrated to close the financing gap, especially in emerging economies like India. Most prior studies tend to focus on individual funding options—such as impact investing, venture capital, or crowdfunding—without analyzing how they collectively influence the growth and scalability of sustainable startups. Moreover, relatively few studies examine the interplay between financial innovation, government policy support, and entrepreneurial capacity building in creating a strong ecosystem for

sustainable businesses. This gap highlights the need for a comprehensive framework that brings together financial, policy, and educational dimensions to enable inclusive and long-term sustainable entrepreneurship.

### Conclusion

This study set out to examine how financial innovations, government policies, and entrepreneurial education can collectively bridge the funding gap in sustainable entrepreneurship. Through an extensive review of recent literature, policy reports, and startup case studies, the research identified key challenges facing sustainable ventures—chief among them being limited access to finance, high investor risk perception, and inadequate institutional coordination. The study adopted a qualitative, secondary research approach, guided by the Triple Bottom Line framework and Institutional Theory, to explore how these dimensions interact to support sustainable business growth.

### Key Findings

- The analysis revealed that the funding gap is not merely a financial issue but a systemic challenge requiring collaboration among financial institutions, policymakers, and entrepreneurs.
- Financial innovation—through impact investing, venture capital, crowdfunding, and blended finance—offers new avenues for capital mobilization.
- Government initiatives such as SIDBI's Green Fund, NABARD's green finance schemes, and the Atal Innovation Mission (AIM) play a crucial role in de-risking sustainable ventures and building institutional trust.
- Entrepreneurial education and incubation programs, like those run by IIM Bangalore's NSRCEL, IIT Madras Incubation Cell, and SELCO Foundation, strengthen the entrepreneurial ecosystem by improving financial literacy and sustainability awareness.
- The findings further validate the study's conceptual model, demonstrating that these three pillars—finance, policy, and education—interact synergistically to create an enabling environment for sustainable entrepreneurship in India.

### Theoretical and Practical Implications -

Theoretically, this research contributes to the understanding of sustainable entrepreneurship by integrating Institutional Theory with the Triple Bottom Line perspective. It shows that institutional support and policy frameworks are as important as financial mechanisms in achieving sustainability-driven growth.

Practically, the study highlights that bridging the funding gap demands a multi-stakeholder approach. Policymakers must design flexible funding mechanisms and promote blended finance; investors should adopt long-term, ESG-oriented investment practices; and entrepreneurs need to enhance their financial competence and sustainability integration.

The research also underscores the need for impact measurement frameworks that combine financial performance with social and environmental indicators—ensuring accountability and transparency in green financing.

While this study provides valuable insights, it is limited by its reliance on secondary data. Future research could employ primary data collection—through surveys or interviews with sustainable startups, investors, and policymakers—to empirically test the proposed conceptual framework. Additionally, comparative

studies between India and other emerging economies could further enhance understanding of how cultural, institutional, and policy differences influence sustainable financing models.

Bridging the funding gap is both a challenge and an opportunity for India's transition toward a green, innovation-led economy. As the findings suggest, sustainable entrepreneurship can flourish only when financial inclusion, institutional trust, and entrepreneurial capacity converge. By aligning efforts across sectors—finance, policy, and education—India can build a resilient ecosystem that not only drives economic growth but also safeguards environmental and social well-being.

In essence, the future of entrepreneurship lies not in profit alone but in creating ventures that sustain both people and the planet—the true embodiment of the Triple Bottom Line.

## References

1. Sushmitha, M., Aaluri, S., & Prabhakar, D. (2025). The Role of Social Impact Investing in Scaling Sustainable Ventures. *International Journal of Advances in Business and Management Research (IJABMR)*, 3(Suppl 1), 26-35.
2. Mukherjee, A., Owen, R., Scott, J. M., & Lyon, F. (2024). Financing green innovation startups: a systematic literature review on early-stage SME funding. *Venture Capital*, 1-27.
3. Futre, B. (2025). Unveiling the Route to Sustainable Entrepreneurship: A Comprehensive Examination of Sustainable New Ventures Financing Through Systematic Literature Review. *Vision*, 09722629251325089.
4. Sarkar, S. (2025). STARTUP BUSINESS FOR ENTREPRENEURSHIP IN INDIA: GOVERNMENT POLICY AND CHALLENGES. *VIDYA-A JOURNAL OF GUJARAT UNIVERSITY*, 4(2), 560-570
5. Karnati, S. Entrepreneurial Finance: Bridging Innovation and Capital for Sustainable Growth.
6. Pilpani, E., & Szighardtová, S. (2024). Sustainable Entrepreneurship and Finance: Exploring Entrepreneurial Decision-Making Process for Securing External Funds.
7. Siefkes, M., Bjørgum, Ø., & Sørheim, R. (2025). Business angels investing in green ventures: how do they add value to their start-ups?. *Venture Capital*, 27(1), 79-108.