

Kenya acknowledges the imperative of integrating green finance into its financial systems to combat climate change and promote environmental sustainability. Despite its commitment to a comprehensive green finance strategy, there remains a significant gap in understanding its actual impact. This study assesses Kenya's National Green Finance Strategy, focusing on its effectiveness in achieving climate goals by mobilizing green investments and influencing financial institutions to adopt sustainable practices. The primary variables studied include the alignment of financial policy and institutions with green finance principles and the mobilization of green investments. Grounded in Stakeholder Theory and the Theory of Sustainable Finance, the study employs a mixed-methods approach, integrating policy analysis, stakeholder interviews, and case studies. Initial findings highlight progress in fostering green finance while exposing deficiencies in regulatory frameworks, financial inclusion, and public awareness. Although the strategy has partially mobilized green investments, financial institutions have not fully embraced green finance principles. Regression analysis demonstrated high explanatory power ($R^2 = 0.9992$, Adjusted $R^2 = 0.9962$, F-statistic = 330.8, $p = 0.04121$), confirming the significant role of financial and institutional resources in mobilizing green investments. Granger causality tests revealed potential temporal dependencies between investment inflows and greenhouse gas (GHG) emissions, showing significant self-causality within GHG emissions data. However, GDP and renewable energy share showed no significant effects. The study concludes that addressing gaps in regulatory frameworks, enhancing financial inclusion, and raising public awareness are critical. Implementing these recommendations could fortify Kenya's green finance mechanisms, contribute significantly to global climate goals, and provide a model for other developing nations striving to align their financial systems with sustainability principles. By tackling these challenges, Kenya can unlock its full potential in mobilizing green investments, fostering institutional change, and driving the transition to a low-carbon economy. The study further establishes that the development of stakeholder engagement frameworks is necessary, actively engaging local governments, the community, and private investors in the design and delivery of green finance projects and ensuring participatory processes underpin the projects, a precept of Stakeholder Theory.