

ISSN : 2349-4212

INTERNATIONAL JOURNAL OF

# TRENDS IN BUSINESS ADMINISTRATION



Indexed by



Universal  
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IMPACT FACTOR  
SEARCH

International journal of trends in business administration [ISSN: 2349-4212](#)  
2023-year Volume 13 issue 1  
[Universal impact factor 7.828](#)

Founder and Publisher **academic journals PVT LTD**

Published science May 2011 year. Issued Quarterly.

**Internet address:** <http://academicjournalonline.org/index.php/ijtba>

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## FINANCIAL SUPPORT FOR THE GREEN ECONOMY AS THE MAIN SUSTAINABLE DEVELOPMENT TREND

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**Abstract:** The article discusses the basic concepts and modern definitions of the green economy. It explores the main directions of the way of financial support for the green economy as the primary trend of new development in modern conditions.

**Keywords:** green economy, Green Growth Index, resource efficiency, green investments, green financing, green projects, and others.

**Introduction.** Until now, there has not been a generally accepted definition of the "green" economy, but according to the widely used interpretation formulated by UNEP specialists, the "green" economy means economic activities that increase the well-being of people, ensure social justice, and at the same time significantly reduce environmental risks and depletion of nature<sup>1</sup>.

The "green" economy is understood as an economy aimed at reducing environmental risks, using resources and sustainable development without environmental consequences.

Official documents of different states that define the "green" economy focus on various aspects of its mission in socio-economic development: for developed countries, the priority is competition, and job preservation; for developing countries, sustainable development, poverty alleviation, equity, and citizen participation; for the countries of the BRICS group - the efficiency of resource use. But it is significant that the actual environmental problems, primarily the environmental limits of development, do not appear in the definitions of the "green" economy in the documents of any of the listed groups of countries.

Thus, it is proved that the main thing in the "green" economy is not the problems of ecology, but the problems of economic development and social policy<sup>2</sup>.

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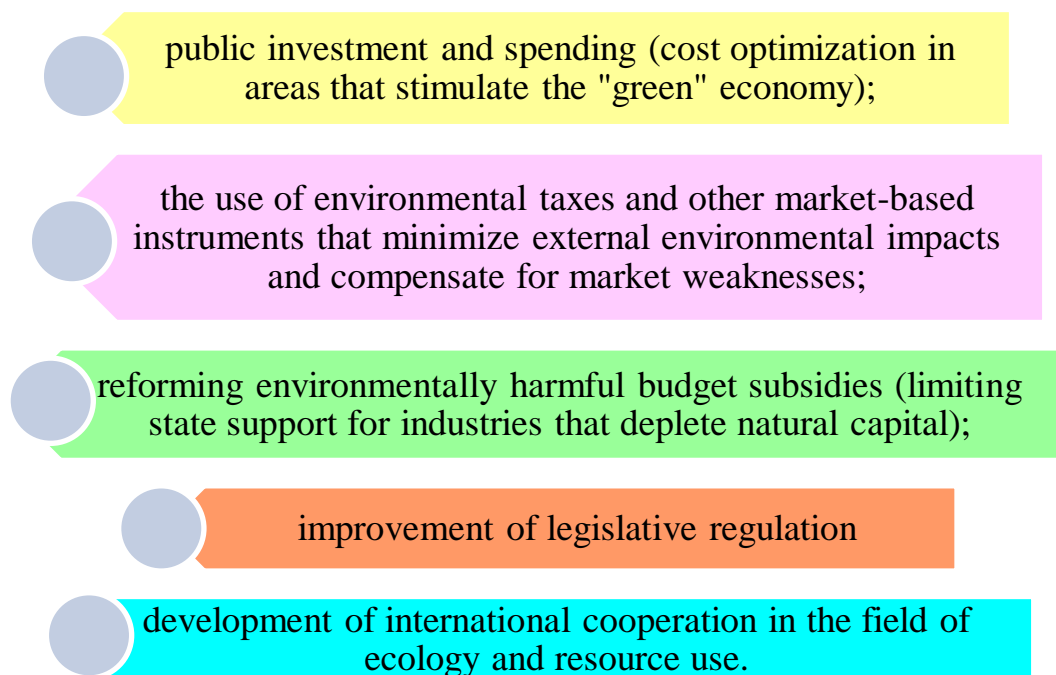
<sup>1</sup> ЮНЕП. Навстречу «зеленой» экономике: пути к устойчивому развитию и искоренению бедности. Обобщающий доклад для представителей властных структур. Найроби: ЮНЕП. 2011. 12.04.2017. URL: [http://www.unepcom.ru/wdownloads/ger\\_synthesis\\_ru.pdf](http://www.unepcom.ru/wdownloads/ger_synthesis_ru.pdf).

<sup>2</sup> UNEP. Глобальный «зеленый» курс. Доклад. 2009. 12.04.2017. URL: [http://greenlogic.by/content/files/GREENTRANSPORT/UNEP90\\_RUS.pdf](http://greenlogic.by/content/files/GREENTRANSPORT/UNEP90_RUS.pdf).

The green economy consists of sectors such as renewable energy, green buildings and facilities, sustainable transport, water and land resources, and municipal solid waste management.

Accelerated transition to a "green" economic situation The most likely consequences include international relations related to trade, finance, and infrastructure market. In a general view of the coverage of events related to the five areas, within the coverage of countries that have achieved the greatest success in the short and medium term with the aim of development and transformational change, developing activities on the "green" economy in various areas.

The formulation of the Green Growth Finance Model and the maintenance of its foundations have evolved gradually as country experiences and cooperation develop.



**Fig.1. Five key directions of the state for a green economy**

All over the world, there is a significant shortage of funds allocated for the development of infrastructure, including the green economy. According to the World Bank and the Global Infrastructure Hub, its volumes for the period 2021-2040 are estimated at \$13 trillion. In 2020 alone, the global infrastructure investment shortfall will exceed \$500 billion<sup>3</sup>.

According to the Green Growth Index, countries such as Sweden, Denmark, the Czech Republic, and Germany have the highest green growth rates.

<sup>3</sup> Global Infrastructure Hub — официально созданный «Группой двадцати» аналитический центр в сфере инфраструктуры. Подробнее см.: [gihub.org](http://gihub.org)

Uzbekistan ranks 33rd among Asian countries. If the indicators of “social coverage” (Social inclusion) and “protection of natural capital” (Natural capital protection) in this index are higher, then in the direction of “efficient and sustainable resource use”, “green” economic opportunities (Green economic opportunities) there is room for further improvement<sup>4</sup>.

The country is implementing comprehensive measures aimed at deepening structural reforms, modernizing and diversifying the basic sectors of the economy, and balancing the socioeconomic development of the territories.

According to the Decree of the President of the Republic of Uzbekistan dated October 4, 2019, No. PP-4477, the following tasks were noted for the transition of the Republic of Uzbekistan to a "green" economy:

increasing the energy efficiency of the economy and rational consumption of natural resources through technological modernization and the development of financial mechanisms;

inclusion in the priority areas of public investment and spending of "green" criteria based on advanced international standards;

assistance in the implementation of pilot projects in the areas of transition to a "green" economy through the development of mechanisms for state incentives, public-private partnerships, and intensified cooperation with international financial institutions and others.

As a result of the ongoing practical measures to develop the green economy within the framework of this Strategy, a significant improvement in the country's role in the Green Growth Index and its worthy contribution to the preservation of the global green ecosystem will be ensured.

The study of foreign experience demonstrates that the movement of countries along the path of sustainable development requires both the state and business to conduct a responsible policy. The rules established at the global level are such that the main thing in this process is the government of the country, which voluntarily accepts an obligation to reform the national economy. The Government of Uzbekistan has developed a national development strategy, relevant programs, and plans, through the implementation of which the development of the "green" sectors of the economy is stimulated and activities in non-green sectors are discouraged.

Since it is assumed that the main source of financing the transition to a "green" economy should not be budgetary resources, but business resources, the task of the state is not to finance, but to regulate and inform when, with the help of state

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<sup>4</sup> [https://vnews.uz/?page\\_id=524/mineconomy-uz/](https://vnews.uz/?page_id=524/mineconomy-uz/)

regulation tools, the business creates favorable conditions for the introduction of "green" technologies and development of "green" industries and unfavorable conditions for maintaining the functioning and development of technologies and industries that are not related to "green". The purpose of such actions is to change the direction of capital movement. Redirect capital from economic sectors that negatively affect the environment to sectors that provide more sustainable (non-crisis) production and consumption at the national level.

### **Conclusions and offers.**

Among the main areas of development of the green economy in the Republic of Uzbekistan, which need to be paid attention to first of all, are:

- Creation of a legislative base in the "green" economy field. To date, there is no clear legislative framework in the field of the green economy in Uzbekistan. The further development of environmental legislation and the application of best practices in environmental matters are vital to the transition to sustainable development.

- Develop investment attraction directed at companies or projects committed to conserving natural resources, promoting clean energy sources, and environmentally responsible practices.

- State support should stimulate the movement of private capital from unsustainable industries to "green" ones, it is necessary to form a national mechanism for financing "green" investments leading to the sustainable development of the country.

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