"GREEN FINANCING" IN THE GLOBAL ECONOMY STATUS AND DEVELOPMENT TRENDS

Mukhitdinova K.A.
Associate Professor, Tashkent State Technical University

Abduganiev A.A.
Bachelor student, Tashkent State Technical University

Globally, the process of transition to the "green economy" requires a long period of time and requires large investments, the main focus is on the effective use of renewable energy sources, and the development of energy-saving technologies. According to forecasts of the International Energy Agency, it is necessary to spend additional investments in the "green economy" in the amount of 1-2.5% of the world's gross domestic product in order to halve CO 2 emissions into the atmosphere by 2050 .

One of the urgent issues in the transition to the "green economy" is the financing of this process. "Green finance" refers to investments and other financial supports aimed at the implementation of ecologically clean, energy-efficient and low-carbon projects. In most cases, concepts such as environmentally responsible investment ("environmentally responsible investment") and climate change investment ("climate change investment") are used as synonyms for the concept of "green finance". US economist Carl Burkart analyzes the "green economy" from the point of view of the sector and divides it into the following sectors: 1renewable energy sources; "green" buildings; environmentally friendly transport; managing the use of water resources; disposal of household and industrial waste; improve the condition of the land.

According to Karl Burkart, methods and sources of financing "green economy" networks differ from each other. Experts from Bloomberg New Energy Finance, which conducts various studies in the field of "green economy", use "green finance" as a concept with the same content as "green investments". in practice, they believe that "green financing" is used as a broader concept in relation to investments 2. According to the experts of the Pricewaterhouse Coopers Consultants consulting company, "green financing" for the banking industry is a financial product that takes into account environmental factors, and this principle is applied in all processes from the process of granting credit to the closing of the loan 3.

implies further increasing the level of sustainable economic development through the production of ecological products ." According to their approach, "green financing" includes

[1] Burkart , K. How do you define the 'green' economy? http://www.mnn.com/green-tech/research-innovations/blogs/how-do-you-define-the-green-economy
[2] Zadek and Flynn (2013): South-Originating Green Finance: Exploring the Potential, The Geneva International Finance Dialogues, UNEP FI, SDC, and iisd .
[3] Pricewaterhouse Coopers Consultants (PWC) (2013): Exploring Green Finance Incentives in China, PWC.

investments in mitigating and adapting to climate change, along with financing projects aimed at reducing industrial emissions, preventing water pollution, and preserving biodiversity 4.

Summarizing the definitions in the economic literature, they can be grouped as follows: the common feature of the first group is that comprehensive methods of financing technological processes, projects and programs related to environmental protection are interpreted as "green" finance, and in the second group definitions, "green finance" ” is explained as financial products (leverages) and services (loans, bonds, shares, etc.) with an ecological component 5.

So. "green financing" includes all forms of investment and lending that take into account all factors affecting the environment and ensure environmental sustainability.

World practice shows that there are opportunities to meet the need for financing the "green economy". All "green projects" require serious financing. Due to the high level of risk in financing "green projects" using traditional methods, they are not considered attractive from the point of view of investment. Finance, banking and insurance investments are becoming an important direction of private investments in the "green economy".

"Green financing" is at the heart of the concept of "green economy" as a link between economic growth, environmental protection and financial institutions. This about " green financing ” “ green economy". transition enable giving real financial is a lever 6.

Sources of "green financing" can be divided into the following groups: state budget funds; funds of international financial organizations; private sector funds (internal and external).

Different directions of finance are included in the concept of "green financing" and they can be grouped into the following three groups: Most of the public investments allocated for "green projects" are related to the improvement of the state of infrastructure. Most of the infrastructure projects are focused on energy conservation and development of renewable energy sources. In particular, in 2018, the volume of investments aimed at energy saving and development of renewable energy sources in the world increased by 55% compared to 2010.7

Certain enterprises and sectors with a "green" approach to production and service will need state support to be competitive against their rivals with traditional technology. To this end, the government can provide indirect financial support in the form of tax credits and administrative preferences to enterprises or investors engaged in "green investments".

Financial markets are one of the important sources of "green financing". Most institutional investors have indicated in their investment declaration that they base their investments on the

---

[4]IFC (2013): Mobilizing Public and Private Funds for Inclusive Green Growth Investment in Developing Countries - An Expanded Stocktaking Report Prepared for the G20 Development Working Group, IFC Climate Business Department; and Spratt and Griffith-Jones (2013): Mobilizing Investment for Inclusive Green Growth in Low-Income Countries, GIZ.

[5]Low Carbon Green Growth Roadmap for Asia and the Pacific http://www.unescap.org/resources/low-carbon-green-growth-roadmap-asia-and-pacific .

[6] Jin Noh Hee , Financial Strategy to Accelerate Innovation for Green Growth (2010).

[7] World Energy Investment 2019 https://www.iea.org/wei2019

principles of social responsibility and environmental protection. Adherence to the above-mentioned principles in the development of a "green project" by investors increases the attractiveness of the planned project to the government. According to the analysis. environmental obligations of the executors are clearly defined in the projects that assume a responsible approach to ecology and environmental problems.

The high risks associated with "green financing" and the lack of sufficient returns may prevent private investors from investing in environmental projects. The following can be included in their composition: formation of wholesale prices - it is necessary to accurately calculate the cost of "green investments"; availability of subsidies for fuel production; high initial costs in the implementation of "green projects" and long payback period of "green investments"; existence of technological risks; high transaction costs; high costs associated with the integration of clean energy sources into the current energy system; lack of information and other risks. Therefore, the state should create a favorable investment environment for private investors in this direction. The use of political, financial and tax levers by the state to support the "green economy" is considered effective.

List of used Literature

1. Burkart, K. How do you define the 'green' economy? http://www.mnn.com/green-tech/research-innovations/blogs/how-do-you-define-the-green-economy
2. Zadek and Flynn (2013): South-Originating Green Finance: Exploring the Potential, The Geneva International Finance Dialogues, UNEP FI, SDC, and iisd .
3. Pricewaterhouse Coopers Consultants (PWC) (2013): Exploring Green Finance Incentives in China, PWC.
4. IFC (2013): Mobilizing Public and Private Funds for Inclusive Green Growth Investment in Developing Countries - An Expanded Stocktaking Report Prepared for the G20 Development Working Group, IFC Climate Business Department; and Spratt and Griffith-Jones (2013): Mobilizing Investment for Inclusive Green Growth in Low-Income Countries, GIZ.
5. Low Carbon Green Growth Roadmap for Asia and the Pacific http://www.unescap.org/resources/low-carbon-green-growth-roadmap-asia-and-pacific.
6. Jin Noh Hee, Financial Strategy to Accelerate Innovation for Green Growth (2010).
7. World Energy Investment 2019 https://www.iea.org/wei2019
8. Mukhitdinova K. A. STAGES OF DEVELOPMENT OF THE DIGITAL ECONOMY //Multidiscipline Proceedings of Digital Fashion Conference. – 2022. – T. 2. – №. 1.

9. Mukhitdinova K. A. DIGITALIZATION IS AN OPPORTUNITY FOR MANAGEMENT DEVELOPMENT //International journal of conference series on education and social sciences (Online). – 2022. – T. 2. – №. 1.
10. Alisherovna M. K. INVESTMENT CLIMATE IN UZBEKISTAN AND INFLUENCING ON SOME FACTORS //GWALIOR MANAGEMENT ACADEMY. – C. 47.
11. Alisherovna M. K. ASSESSMENT OF INVESTMENT ATTRACTIVITY OF INDUSTRIAL ENTERPRISES //Web of Scientist: International Scientific Research Journal. – 2022. – T. 3. – №. 02. – C. 860-862.
12. Alisherovna M. K. Attracting investment to regions-An important factor of development //Asian Journal of Research in Banking and Finance. – 2022. – T. 12. – №. 3. – C. 10-13.
13. Alisherovna M. K. Analysis and evaluation of sources of investment in automotive transporti enterprises //South Asian Journal of Marketing & Management Research. – 2020. – T. 10. – №. 4. – C. 74-78.
14. Alisherovna M. K. Formation of a Database in The Assessment of Investment Attractiveness of Auto Transport Enterprises //CENTRAL ASIAN JOURNAL OF INNOVATIONS ON TOURISM MANAGEMENT AND FINANCE. – 2021. – T. 2. – №. 6. – C. 62-65.
15. Alisherovna M. K. Tasks of implementation of investment policy //ACADEMICIA: An International Multidisciplinary Research Journal. – 2021. – T. 11. – №. 9. – C. 848-852.
16. Alisherovna M. K. Car transport an approach to the research of the essence of investment activities of enterprises //ASIAN JOURNAL OF MULTIDIMENSIONAL RESEARCH. – 2021. – T. 10. – №. 5. – C. 415-418.
17. Alisherovna K. Investment support for the activities of motor transport enterprises and their effective utilization //Asian Journal of Multidimensional Research (AJMR). – 2019. – T. 8. – №. 2. – C. 465-471.
18. Mukhitdinova K. A. THE IMPORTANCE OF SOURCES OF FINANCING OF TRANSPORTATION SYSTEM //НАУКА 2020. ТЕОРИЯ И ПРАКТИКА. – 2020. – C. 23-25.
19. Mukhitdinova K. A. ANALYSIS OF INVESTMENT ATTRACTIVENESS OF THE ENTERPRISE //Экономика и социум. – 2020. – №. 4. – C. 73-76.