FINANCIAL ISSUES OF GREEN ECONOMY DEVELOPMENT

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Abstract. This article is devoted to the study of a new direction in economic science called "green" economy. The concept of this term, the main ideas of the direction are revealed. The article examines the current problems arising in the process of interaction between the economy and the natural environment, and also provides various ways to solve them.

Key words: ecology, environmental problems, green economy, sustainable development, green investments.

Humanity's global problems - climate change, resource depletion, poverty, overpopulation, and food shortages - are compounded by the crisis of a socioeconomic system built on free market relations. All these problems have led society to form a "green" economy.

Green economy is a new direction in economic science that has emerged in the last two decades. The main idea - everything on the Earth's surface is linked. This implies an increase in the role of the state and interstate bodies in economic regulation, creation of conditions for business development on the basis of new "green" technologies and greening of industrial branches of economy. Integration of economic and environmental aspects of politics, which will open opportunities for new sources of economic growth without pressure on the quantity and quality of natural resources are the current issues in green economy. It is worth pointing out that the threat of scarcity of natural resources and climate change due to the rapid growth of the world's population and the economies of the new industrialized countries, which is accompanied by a negative impact on the environment, create the need for new approaches to economic growth and development, which has to minimize exhausting natural resources and environmental living conditions through the use of additional sources of growth. They relate, first and foremost, to the expansion of the use of productive ecofriendly technologies, eco-innovations, fair assessment of the cost of natural resources and ecosystem services in economic activity, the introduction of sustainable consumption and production models, the transition to more sophisticated business models, high performance, based on the concept of life cycle, minimization and reuse of corporate social responsibility waste.

The transition to such an economy can be ensured by annual investments of 2% of world GDP (approximately $ 1.3 billion) during 2012-2050. The simulation shows that the green investment scenario will provide higher annual growth rates over 5-10 years than investment in normal development. Greening the economy is a way to eradicate poverty.

There is a direct correlation between poverty eradication and the rational management of natural resources and ecosystems. Many countries use different green economy tools in their national development policies and strategies. The Republic of Korea was the first country to announce the concept of green growth as a national strategy. Brazil, China and India's share of global renewable energy investments increased from 29% in 2007 to 40% in 2008. In 2003, South Africa introduced a tax on plastic bags. In Brazil, 95% of all aluminum cans and 55% of all plastic bottles are recycled, half of all paper and half of all glass is reused. To add, the Danish capital Copenhagen plans to become the world's first zeroemission greenhouse gas capital. In the coming years, Germany is expected to increase investment in environmental technologies fourfold: by 2030 they will account for 16% of production and more jobs than in automotive industry [2].

The introduction of a "green" economy in Ukraine was a condition for providing financial assistance to the country. However, this task involves not only the implementation of the necessary reforms at the level of the real economy, but also a radical restructuring of the financial system. Such a system should not only be ready to increase the impact of non-financial risks, but also ensure that the necessary amounts of green finance are mobilized. Obviously, this amount exceeds the gross external debt of the country for all its existence. Therefore, the need to create the conditions for attracting green finance from world markets is a priority.

The most reliable way to build a green economy is to use green finance. Such as green obligations, which have become a priority instrument for attracting investment for both the private and public sectors to finance environmental projects. In particular, there has already been funding for low carbon transport, clean energy and energy efficient buildings. At the same time, there is many debates on issues such as greenwashing, and whether green bonds are better than regular bonds. This has now become a widely recognized asset loss that attracts ever-increasing institutional capital and is likely to underpin the green finance revolution.

When it comes to green finance, one should not forget about a green mutual fund, which is a structured investment instrument that selects investments based on a green investment strategy. This structure allows different investors to unite their capital, while skilled investment managers follow a consistent investment strategy. This type of investment structure has been widely used to support renewable energy investments over the last 15 years and is now a widely recognized investment tool. As in any developed capital market, it is crucial that there is a need for a more diverse range of financial products. Over time, more and more new "green" financial products are emerging. One of them is green securitization. This is a merge it is a merge of green loans and the issuance of securities backed by them can unlock additional capital to finance the transition to a decarbonized and climate-resilient economy. Securitization makes it possible to combine small loans and help attract a different investor base. Importantly, securitization of existing loans also enables banks and other primary lenders to refinance existing loan portfolios and reuse capital to create new green loan portfolios.

What about green finance, it is important to mention green leasing. Leasing is one of the oldest and most popular funding structures available to finance the purchase of equipment, but is still only in its infancy phase, when the potential for financing green assets is being considered. Areas in which green leasing was applied, include:

- Rental of green (environmentally friendly) housing
- Rental of green (environmentally friendly) car
- Green mortgage loans

Public / private partnerships are widely used to support infrastructure projects and are a viable tool for financing climate-relevant activities. Insurance is a very important but not vastly used solution that helps to structure a financial solution related to climate change that can be included in a broader financing solution to help make it economically viable. Transitional and sustainable development obligations are used by companies in carbon-intensive industries, such as the oil and gas or heavy industries, as green obligations may not be available due to certain criteria. Green loans are the loans aimed at improving environmental sustainability and are inherently similar to green obligations.

Therefore, it should be concluded that the growth of the world economy under the existing model of production can create a situation where the damage from pollution and destruction of the environment will start to exceed the income generated and will therefore bring losses. To remedy this situation, it is necessary to introduce innovations for the reproduction of natural resources, that is, to introduce a model of a "green" economy, which has been created especially to stop exhausting the planet's vital resources and stabilize our future in a ecofriendly way.

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