



THE ROLE OF THE STATE BUDGET IN THE DEVELOPMENT OF GREEN INVESTMENTS

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ABSTRACT

There are principles in the implementation of the "Green" economy program, including green budgeting, green investment projects, green banking system and integration of other economic sectors. The article describes the role of the state budget in the development of green investments.

As a result of environmental changes taking place on earth today, including climate changes, depletion of natural resource reserves, various environmental natural problems, ineffective use of water resources, environmental pollution, and slow protection of forests and rural areas. Together with the ecological environment, it has a negative impact on the economic and social situation of developed and developing countries. In order to ensure economic stability in the country, increase competitiveness with developed countries, and improve the socio-economic status of the population, the state can be achieved by becoming the main reformer and eliminating green problems in the economy.

Therefore, with the decision of the President of our country "On measures to increase the efficiency of reforms aimed at the transition of the Republic of Uzbekistan to the "Green" economy until 2030" No. PD-436, climate to integrate climate change adaptation and disaster risk management issues into national policy, socio-economic development planning and budget processes, and to assess and disclose information on the appropriateness and impact of taxes and government spending on the green economy" introduction of the budget methodology was determined.

There are principles in the implementation of the "Green" economy program, including green budgeting, green investment projects, green banking system and integration of other economic sectors. Economists have defined as follows, "there are 5 principles in the implementation of the green economy, the first is that the green economy should create prosperity for mankind. Second, the green economy must create equality in one generation period, as well as the next generation. Thirdly, it is necessary to preserve, restore and invest in the green economy, activities derived from natural resources. Fourth, the green economy



should support stable consumption and production levels. Fifth, the green economy must be supported by responsible, integrated and strong institutions.

It was emphasized by Licastro and Sergi that a systematic approach is needed in terms of political planning, investments and action in order to improve the visibility of the green economy in the country. The full commitment of the government in improving budgeting efficiency is a key condition for promoting a green and sustainable public budget.

Environmental protection is now a global priority: The green economy is rooted in the process of reducing inequality and resource scarcity and environmental risks. Therefore, in this case, it is necessary for private and public capital to support green investments on a large scale. However, due to the low return, economic participants do not express the desire to provide sufficient financial support for new projects. Another factor is the lack of political stability and political will.

Based on the experience of foreign developed countries, today climate change is considered the main environmental problem, and it is necessary to achieve green and low-carbon sustainable development while maintaining environmental protection and economic balance. Green public investment is a key link in significantly reducing greenhouse gas emissions, adjusting the energy mix, and stabilizing the climate.

As a result of the support of green investment programs by the governments of many countries and international organizations, the turnover of the "green bonds" market during the period from 2017 to 2021 will reach 81.6 billion. 517.4 billion, 6.3 times higher than US dollars. reached US dollars. Also, it can be seen from the analysis that the investments in "Green Bonds" are recording growth dynamics from year to year, even in the conditions of the pandemic, although the growth of the sales volume has slowed down, it has not stopped completely. Also, as a result of the recovery of the world economy after the pandemic, the market of green bonds will increase by 517.4 billion in 2020. amounted to US dollars. It is worth noting that specialists and experts estimate that the market volume of "green bonds" will be 1 trillion in 2025. USA. They are realistic in their forecasts about reaching USD.

In particular, in recent years, opportunities have been created for the development of green investments in every economic sector in the UK state. Annual investment in low-carbon sectors has more than doubled in real terms over the past five years. Between 2021 and 2022 alone, £50 billion of new investment has been made in UK carbon reduction sectors.

In the analysis, the largest volume issue is 7.4 billion US dollars. bonds placed in the amount of USD 1,000,000 were made by China Development Bank located in the People's Republic of China. When studying the top 10 issuers by country, it can be seen that the corporations operating in developed European countries and Australia, as well as Asian giants, are accounted for by enterprises located in the countries of China and India.

However, experts say that the ratio of public and private investments involved in "green projects" must be in a certain proportion. In China, the rule of using 10-15% of state budget funds and 85-90% of private funds is followed for the financing of domestic "green projects".

Therefore, it is necessary to reduce the risks of attracting private investments in "green projects" to the level of risks observed in the financing of traditional projects. Various



methods and levers are used to stimulate the attraction of private investments to "green projects" (Table 1).

Table 1

Levers and methods of supporting private investors in order to finance "green projects"

Support measures	Levers and methods of financing "green" projects	
Regulation by the state	Handles	Tax benefits
		Implementation of standards
		Refusing to support companies that harm the environment
	Methods	Preferential rates
		Quotas for renewable energy
State financing	Handles	Grants, Subsidies, Environmental programs
Lending	Handles	Project financing
		Debt funds
	"green" bonds	
Reducing risks	Handles	Preferential loan rates
		Credit guarantee and guarantees
		Insurance
		Exchange rate

So, based on the information presented above, we can conclude that attracting "green" investments should be achieved by increasing attention to private sectors and minimizing the role of the state. However, in order to encourage "green" investments and increase the possibility of attracting them to the economic sector, the state and the state budget should conduct a rational and systematic policy.

Several directions have been identified for the implementation of green budgeting in developed countries, and they are as follows:

- Covering the costs of budget funds and environmental protection goals of public sector entities;
- The methodology used to assess the compliance of fiscal policy with environmental goals;
- Transparency and accountability of the process;
- Management, environmental control over each sector of the state.

Significant work on the organization of green budgeting is being carried out by France, if we study its experience, we can see that on September 28, 2020, in France, the draft "green budget" will be announced as a legal document, draft 4 It includes important features:

- Assessment of the green impact of all state budget expenditures;
- Reimbursement of tax expenses;



- Reflecting other environmental issues such as biodiversity and pollution control;
- Assessment of costs that have a negative impact on the environment along with the assessment of beneficial costs.

In particular, the introduction of tax incentives for "green" investments by local economists A.V. Vakhobov and Sh.Kh. Khajibakiyev provided more complete information about the role of the state in terms of economic efficiency for issuers and investors, and consists of the following:

- Taxable credit bonds. This type of bond means that investors receive a taxable loan instead of interest payments, so the issuers do not pay interest on the bonds.
- Directly subsidized bonds. Issuers receive cash rebates from the government to subsidize their net interest payments.
- Tax-exempt bonds. Investors do not pay income tax on interest earned on "green bonds". For example, in Brazil, the financing of wind energy projects is exempted from taxes.
- Development of the "green bonds" market by stimulating demand by the state;
- Allocation of a quota for investing in "green projects" in state social funds. The state allows a certain part of the funds of pension and social security funds to be directed to "green bonds" with fixed income.
- Quotas for allocating funds for investing in "green projects" by banks.

The necessary measures to implement and further develop green budgeting in Uzbekistan are as follows:

- Introduction of modern "green" and energy-efficient technologies for the rapid development of electric power generation capacities;
- Developing a program to expand and support the use of renewable energy sources;
- Development of the "Green" economy transition and energy saving program to reduce losses in industrial sectors and increase the efficiency of resource use;
- Establishing a special fund for the development of the "green" economy and attracting financial resources to the fund;
- To take measures to attract the funds of international financial institutions and other "donor" organizations financing the projects of transition to the "green" economy to the fund;
- Establishing a special mechanism for the effective use of financial resources directed to projects within the framework of the development of the "green" economy.

Today, the state of production, the state of the main means of enterprises of the national economy and the level of technical equipment, the possibility of structural change of the economy and the solution of social and environmental problems depend on the effectiveness of the investment policy. Investments are the basis for the development of enterprises, individual sectors and the economy as a whole, because at present the technical and technological level of the national economy is low, the structure of production and industry is uncertain, and the main means and production capacity are outdated. provides

In conclusion, we can say that the solution of economic problems and current issues is considered to be related to environmental problems, and in the development of economic sectors, attention should also be paid to the theory of the environment. Harmonization of



"green" policy in the activity of economic sectors causes an increase in the volume of investments in "green" projects. For this reason, the objective role of the state in attracting "green" investments is tangible and can be implemented through an indirect approach.

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