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PROMOTING THE TRANSITION TO A GREEN ECONOMY IN DEVELOPING COUNTRIES AT THE NATIONAL LEVEL

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Abstract: The purpose of this article is to explore current trends in the transition to a Green Economy and analyze national strategies to stimulate the transition to a Green Economy in developing countries, with the aim of identifying successful approaches and possible barriers to accelerated green growth. She emphasizes that sustainable development is an essential requirement of the modern world; analyzes the role of states and markets in the transition to a green economy; and explores the technical and financial support needs of developing countries.

Key words: Green economy, green investments, economic development, sustainable development, greening.

The momentum towards a green economy in both developed and developing countries is evident across a wide range of sectors, including energy, agriculture, forestry and services, among others.

In the energy sector, global growth in the use of renewable energy sources, contributing to the world's primary energy supply, now significantly exceeds the growth of fossil fuel-based energy sources. According to report "Global Trends in Investments in Renewable Energy"[1], prepared by the United Nations Environment Program (UNEP), in 2017, investments in projects for the development of renewable energy sources (RES) amounted to a record 280 billion US dollars. Investors are most willing to invest in projects to develop solar energy production technologies. The leader in this area is China. Although, in 2022, the growth of investment in renewable energy sources has slowed. New project investment announcements have doubled, but the number of cross-border project finance deals, which tend to be larger, has fallen. However, international investment in the renewable energy supply chain is growing. The number of new critical minerals projects announced in 2021 and 2022 was more than double the average over the past decade. Investment projects in the production of solar and wind components are also growing, albeit from a low level. The value of announced battery projects has tripled to more than $100 billion in 2022. Most projects are in the United States and European manufacturing hubs, but several developing countries have attracted significant investment.[2]Although total international investment in renewable energy has nearly tripled since 2015, growth rates in developing countries are only marginally higher than GDP growth. In least developed countries, growth in investment in renewable energy lags significantly behind GDP growth.

It is estimated that four trillion dollars a year will need to be invested in renewable energy until 2030 to achieve net-zero emissions by 2050. Net zero emissions means reducing greenhouse gas emissions to levels as close to zero as possible, with all remaining emissions absorbed from the

[1] https://drive.google.com/file/d/1SmhaI-WAcmEMqR8R9oL5Fxn0cZ0kfY8Z/view

[2] https://unctad.org/system/files/official-document/wir2023_Key_Messages_and_Executive_Summary_ru.pdf

atmosphere naturally through oceans and forests.[3]Investments in renewable energy will be significantly less expensive than investing in fossil fuel energy. Reducing pollution and climate change alone could save $4.2 trillion a year by 2030.

Greening is also happening in raw materials production. Developing countries are increasing their participation in these new green markets. Some examples are for illustrative purposes only. The organic food and beverage market size is valued at US$174.37 billion in 2024 and is expected to reach US$233.56 billion by 2029, growing at a CAGR of 6.02% during the forecast period (2024 -2029)[4]; more than fourfold expansion compared to 2000 levels. Organic agriculture is practiced on 37 million hectares in 160 countries; almost four times more than in the last decade. Much of this increase is occurring in developing countries in response to growing demand in developed country markets. Developing countries are also expanding their presence in markets for sustainably harvested timber.

Globally, the area of forestland certified by the Forest Stewardship Council (FSC) has increased sevenfold over the past decade, reaching almost 140 million hectares in 2010, with developing countries' share of this total rising to about 20 percent. As of March 2021, 223 million hectares of forests are FSC certified worldwide.[5]

The recovery of metals and minerals through recycling has increased significantly over the past two decades. Today, nearly 80 percent of lead and more than 50 percent of iron, steel, aluminum, gold, platinum and silver are recycled from the products in which they are found, with recycling activity growing sharply in emerging economies.[6]The Western Asia 2050 Electrical and Electronic Waste Outlook estimates that reworking the region's economic model could recover 130 tonnes of gold, 17 million tonnes of iron and steel and 5,000 tonnes of rare earth metals by 2050. The report was published on the first International Day for a World Without Waste, organized by UNEP.[7]

Biofuel production and exports are growing rapidly, and biofuels have become a growing export commodity for some developing countries. Today, developing countries as a group account for more than 40 percent of global bioethanol production and about 15 percent of biodiesel production. The International Energy Agency predicts that by 2030, global biofuel production will increase to 150 million tons of oil equivalent. The annual production growth rate will be 7-9%. As a result, by 2030 the share of biofuel in the total volume of fuel in the transport sector will reach 4-6%.[8]

The services sector is becoming greener. Ecotourism is projected to account for 25 percent of global tourism revenue in 2012, with international tourists spending $240 billion on eco-tourism

[3] https://news.un.org/ru/story/2023/09/1444532

[4] https://www.mordorintelligence.com/ru/industry-reports/organic-food-and-beverages-market

[5] https://unece.org/DAM/timber/publications/FPAMR-2014-R.pdf

[6]UNEP, 2022, Metals recycling rates.

[7]https://wedocs.unep.org/bitstream/handle/20.500.11822/44777/UNEP_Annual_Report_2023_Russian.pdf?sequence=9&isAllowed=y

[8] https://unece.org/sites/default/files/2021-01/RUSUNECE_14.11.20.pdf

destinations, the majority of which are in developing countries.[9]Markets for solid waste management services are growing. The global waste market, from collection to recycling, is now worth more than $400 billion a year.

The production of many environmentally friendly products (that is, both goods and services) provides decent employment and increases development opportunities for poorer communities in developing countries. Moreover, not only do green economy market opportunities have a direct impact on economic growth and poverty, but the technology itself offers indirect benefits for poverty reduction. For example, renewable energy technologies can electrify rural areas where most people in developing countries live, thereby providing electricity, light, water, cooling, information and communications to homes, schools and small businesses, helping communities increase economic productivity and ensure health. and goals of education.

National Actions to Accelerate Green Growth

Effective mechanisms for long-term support for green economy development will require reforms at the national and international levels. National policies and actions are needed to stimulate and develop green economy markets, while at the international level, institutional structures are needed to ensure that developing countries reap the attractive benefits of participating in the global transition.

Given its broad, cross-cutting nature, stimulating and supporting the transition to a green economy will require a rich set of national policies and measures, as well as effective institutions to implement, monitor and enforce them. The optimal combination of national policies will depend on the country's institutional environment, level of development, resource endowment and specific social and environmental conditions.

Governments have several levers to stimulate the transition: regulation, market instruments, investment measures and information campaigns.[10]All this can be included in a national green economy policy. The gradual introduction and tightening of regulation to change production and consumption patterns can, over time, bring about structural changes in industry and trade without causing economic disruption. Regulations are also needed to open markets to new green economy activities. For example, regulations on compulsory recycling of glass, metal, plastic and electronic equipment are needed to encourage firms to participate in the relevant recycling industries. Often, national policies also use additional regulatory and market instruments to reorient businesses and consumers during the transition. For example, in the electricity sector, feed-in tariff regulation may accompany market triggers that encourage individuals and companies to invest in renewable energy systems and become independent power producers. Staged performance and technology standards could also be promulgated through regulation to encourage new private investment in green technologies over time.

National budgetary allocations and public procurement can also stimulate the transition process by providing the base market needed to support environmental research and development and

[9] https://www.fortunebusinessinsights.com/ecotourism-market-108700

[10]The OECD published Tools for Achieving Green Growthhttps://www.oecd.org/greengrowth/48634082.pdf, 2011, which together provide a thorough discussion of the wide range of policy instruments available to advance the transition to a green economy.

green businesses, including many start-ups. Already, a growing number of countries have embarked on focused and inclusive new growth strategies to rebalance their economies and put them on a more sustainable path. Such strategies, already launched in most developed countries and a number of developing countries, aim to create a framework for governments to provide subsidies and channel public investment into green economy activities, particularly in the energy, construction and transport sectors. Government support for the green economy is already a reality in several parts of the world. In 2022, nearly US$300 billion in environmental incentives—in the form of subsidies and government procurement—began to be distributed globally in 2022, and by early 2023, more than 100 countries, both developed and developing, had adopted some policy measures to promote the use and distribution of renewable energy sources.[11]To varying degrees, these approaches are implemented through national industrial policies, which play an important role in creating incentives for green economic activity, but care must be taken to ensure that they are compatible with WTO rules.

In addition to regulation and economic incentives, communication campaigns aimed at encouraging green consumer preferences among consumers and green production choices among firms will also be important in stimulating the transition. Information campaigns help stimulate voluntary action based on clearer perceptions and a longer-term view of costs and benefits. Governments can introduce mandatory labeling (through regulation) to help consumers identify more effective and less polluting products. They can also encourage workers to choose to work in new green businesses by providing low-cost training opportunities. In addition, the influence of non-governmental organizations, including educational institutions, environmentalists and consumer groups, is influential in promoting green employment and consumption choices.

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