

**GREEN ECONOMY AND FINANCIAL BENEFITS**

**Soliev Dilmurod**

Fergana Polytechnic Institute, Senior Lecturer, Department of Accounting and Auditing

**Salieva Malokhatkhon**

Fergana State University, 2nd year student, specialty "Accounting", group S23.41

**Abstract:** Green economy is a model that combines economic growth and social development with environmental sustainability. This concept is financially beneficial due to investment opportunities, tax incentives and cost reduction. The article analyzes the financial efficiency of the green economy based on specific calculations and international experience. The results of the study show that the green economy is not only environmentally but also financially efficient.

**Keywords:** sustainable development, renewable energy, tax incentives, investment efficiency, ESG (environment, society and governance) ratings, energy efficiency, government subsidies, green technologies, green financing, green business models.

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**Introduction**

Currently, environmental issues have become one of the main threats to the global economy. Issues such as climate change, depletion of natural resources and environmental pollution require new solutions to ensure sustainable development. Green economy is a model that combines economic growth, social well-being and environmental sustainability and is not only environmentally friendly but also financially beneficial.

The purpose of this article is to analyze the financial aspects of the green economy based on figures and international experience, as well as to propose ways to improve its efficiency in the context of Uzbekistan. The study demonstrates financial benefits based on accurate calculations in areas such as solar energy projects, tax incentives and energy-saving technologies.

An analysis of the financial benefits of a green economy based on numbers alone reveals its advantages. In particular, if we analyze the costs and benefits of building a 1 MW solar power plant:

- Construction cost: \$750,000–\$1,200,000;
- Lifespan: 25 years;
- Annual energy production: 1,500,000 kWh;
- Electricity price: \$0.05/kWh;
- Annual income: \$75,000;
- Return on investment (ROI): 13–14 years.

In this case, the difference between ROI and lifespan means that the project will only generate income for 11–12 years.

Many countries provide tax incentives and subsidies to stimulate a green economy. These countries are estimated to reduce corporate income tax rates by 10–15% and provide government subsidies of \$100,000–500,000 to the sector [Vakhabov A.V. 2021].

### **Priorities for Uzbekistan**

The main objectives of the transition of the Republic of Uzbekistan to a "green" economy are:

1. Increasing the energy efficiency of the economy and rational use of natural resources through technological modernization and development of financial mechanisms.
2. Introduction of "green" criteria based on advanced international standards in priority areas of public investment and expenditure.
3. Developing public-private partnerships and intensifying cooperation with international financial institutions.
4. Training personnel suitable for the labor market in the "green" economy through the development of the education and training system.
5. Taking measures to mitigate the negative consequences of the environmental crisis in the Aral Sea.
6. Strengthening international cooperation and concluding bilateral and multilateral agreements in the field of "green" economy.

Today, the green economy has become one of the most important areas of the global economic agenda. International organizations, including the UN, the World Bank, the International Monetary Fund and the Organization for Economic Cooperation and Development (OECD), are promoting numerous initiatives aimed at supporting the development of a green economy. Uzbekistan is also actively involved in this process and has developed a strategy for the transition to a green economy by 2030.

### **Uzbekistan in international green economy rankings**

Uzbekistan ranks 98th out of 180 countries in the Environmental Performance Index (EPI, 2022).

According to the Global Green Economy Index (GGEI, 2023), Uzbekistan has taken one of the leading positions among Central Asian countries, rising to 42nd place in energy efficiency.

According to the World Bank, the share of renewable energy in Uzbekistan in 2022 was 12%, and by 2030 it is planned to increase this figure to 25%.

### **Uzbekistan is implementing reforms for a green economy**

Renewable energy projects:

Uzbekistan has five large solar and wind power plants. For example, the Nur Navoi solar power plant generates 1,000 GWh of electricity per year and prevents 300,000 tons of carbon dioxide (CO<sub>2</sub>) emissions.

Tax incentives and subsidies:

The government has introduced a number of incentives, including a 10-year income tax exemption for businesses investing in clean technologies.

Energy saving programs:

In 2022–2023, the government conducted energy audits of more than 5,000 manufacturing enterprises.

Transport and environmental projects:

50 electric buses have started operating in Tashkent. The Green City project is implementing a project to create environmentally friendly infrastructure in the cities of Tashkent, Samarkand, and Fergana.

#### Conclusion

The "green" economy is financially efficient and creates the following advantages for the state, business and investors:

- Investments in green energy pay off in 10-14 years;
- Tax incentives provide annual savings for businesses in the amount of more than 50,000 US dollars;
- Energy-saving technologies reduce costs by 30%;
- Every investment of 1 million dollars creates 10-15 new jobs;
- Carbon-neutral business increases competitiveness in the international market.

Therefore, investments in the green economy are beneficial not only from an environmental point of view, but also from a financial one. For Uzbekistan, the development of this sphere is one of the main areas for ensuring sustainable development and economic growth.

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