

THE IMPORTANCE OF INTRODUCING A "GREEN ECONOMY" TO THE STATE BUDGET

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Currently, the transition to a green economy is a requirement of the time, because today the world is facing serious challenges in the field of ecology and climate change, and harmful emissions and depletion of natural resources threaten the planet's ecosystems and the well-being of future generations.

The green economy offers innovative and sustainable approaches to the production and consumption of resources. Instead of relying on unsustainable extraction and processing of fossil fuels, it aims to use renewable energy sources such as solar and wind. The green economy also focuses on reducing greenhouse gas emissions and limiting the use of chemicals that can be harmful to the environment.

The transition to a green economy is accompanied by many potential benefits. First, it is the creation of new jobs in the sector of renewable energy, energy conservation and environmental construction. In addition, the transition to a green economy helps reduce dependence on oil and gas imports, which can increase the economic security of countries. However, the transition to a green economy also presents certain challenges, as it requires significant investments in the development of new technologies and infrastructure. Most of the existing industries related to the use of fossil fuels also need to be rebuilt and re-equipped. In addition, the transition to a green economy requires changes in lifestyle and consumer behavior to encourage more environmentally responsible behavior.

Today, an important task is the transition to a green economy in the field of the state budget as one of the strategic tasks within the framework of the overall transition to sustainable

development. It involves reviewing priorities and reorganizing costs to focus on environmentally oriented investments and projects.

In order to transition to a green economy in the field of public finance, it is necessary to ensure the redistribution of budget funds in favor of environmental programs, which can be done by reducing financing for industries that pose a threat to the environment and increasing investments in renewable energy, energy conservation, resource efficiency and other environmental initiatives. In addition, it is advisable to introduce environmental taxes and duties in order to stimulate the transition to environmentally friendly technologies and production. This may include taxes on greenhouse gas emissions, a tax on the use of natural resources, or taxes on environmentally harmful goods. The collection of the proceeds can be directed to the development of environmental projects and infrastructure. In addition, it is important to involve the private sector in the green economy through public-private partnership mechanisms. The State can provide subsidies, tax incentives, loans or guarantees to attract private investment in environmental projects. Such partnerships can help create new jobs, foster innovation, and enhance the competitiveness of environmental industries.

The transition of the state budget to a green economy requires a long-term strategy, support from government agencies and society as a whole, as well as active interaction between various sectors of the economy. However, it can bring a number of benefits, such as reducing greenhouse gas emissions, reducing energy costs, creating new jobs and improving the country's economic stability and competitiveness.

Decree of the President of the Republic of Uzbekistan №PP-436 defines assessment and publication of compliance and impact of taxes and government expenditures on the green economy, including the development of a Roadmap for the implementation and full implementation of pilot projects, as the most important measures to improve the effectiveness of reforms aimed at the transition of the Republic of Uzbekistan to a "green" economy the national methodology of "green" budgeting, the implementation of the national methodology of "green" budgeting in other areas, goals and components of the budget in accordance with

priority areas, defined in the strategy of the "green" economy, as well as raising public awareness about the financing of the "green" budget through the open budget portal²⁴.

Thus, the introduction of a system of "green" labeling of expenditures in the state budget, which characterizes the "linking" of state budget expenditures to strategic target priorities of the state in the field of sustainable development, is appropriate and has many advantages. Such a system makes it possible to link state budget expenditures with the priority goals of the state in the field of sustainable development. In addition, the green labeling system encourages local authorities to take the environment into account when planning and implementing projects, will allow monitoring and evaluating cost effectiveness and create additional potential for attracting foreign investors.



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²⁴ Resolution of the President of the Republic of Uzbekistan dated 02.12.2022 № PP-436 "On measures to improve the effectiveness of reforms aimed at the transition of the Republic of Uzbekistan to a "green economy" until 2030" <https://lex.uz/docs/6303233>