

the national average, and the inflow of investments is often higher than the benefits provided by the state. Among the challenges accompanying the development of the zones are the lack of qualified personnel, the need to modernize infrastructure, the influx of innovations, as well as maintaining a balance between benefits provided and budget efficiency. At the same time, FEZs continue to stimulate cooperation between enterprises, the development of support for small businesses and integration into global supply chains.

The research confirms that free economic zones are a proven way to reduce regional disparities by boosting investment, employment, and living standards. Their success highlights the importance of ongoing investment, infrastructure development, and balanced incentives for long-term regional growth. These findings suggest that expanding the use of FEZs could help more regions to overcome economic challenges and accelerate modernization.

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GREEN FINANCE GROWTH IN EMERGING ECONOMICS

Зеленые финансы и рост в развивающихся странах

In the 21st century, the global economy faces two main tasks: to stimulate economic growth and at the same time to combat the growing environmental challenges. This problem is particularly acute in developing countries, which need to simultaneously develop industry and take care of the environment.

In this context, green finance is becoming a key tool for attracting investments in sustainable infrastructure, renewable energy sources, and low-carbon technologies. An analysis is conducted on role of green finance in promoting sustainable economic growth in emerging markets, focusing on financial instruments, institutional structure, and investment outcomes.

The objective of this research is to understand how green finance affects economic growth in developing countries, how effective green bonds, climate funds, and ESG investment strategies are. These tools help to attract capital and ensure sustainable development. Institutional and regulatory factors affecting green finance effectiveness in these regions are considered in this research.

In the system of «green» finance, «green» bonds have become one of the most prominent instruments. These debt instruments were created specifically to finance projects that do not harm the environment. Such projects include the construction of power plants powered by renewable energy sources, the creation of sustainable transport and energy – efficient buildings.

According to the Organization for Economic Cooperation and Development (OECD), in 2021, the volume of green bonds in the world exceeded 500 billion US dollars [1]. The share of emerging markets in this volume is constantly growing. Countries such as India, Brazil and Indonesia are successfully entering the green bond market, attracting international investors and contributing to the achievement of national climate change goals.

In addition to bonds, there are climate finance mechanisms such as the Green Climate Fund and mixed financing models. They contribute to the development of public-private partnerships in areas such as clean energy and sustainable agriculture [2]. The success of «green» financing is determined not only by financial instruments, but also by the institutional environment. Clear regulatory rules, standardized «green» classification, and transparent reporting systems are needed to strengthen investor confidence. The World Bank notes that countries with consistent green finance strategies and effective governance structures are more likely to attract sustainable investments. The integration of ESG into banking and asset management has proven its ability to improve financial performance and reduce vulnerability to environmental risks [3]. Many developing countries face challenges such as limited technical capabilities, a lack of environmental performance data, and fragmented regulatory systems. Addressing these challenges requires concerted policy measures, capacity-building, and international cooperation. The study demonstrates that green finance contributes to sustainable economic growth in emerging markets.

In practice, countries that actively attract investments and place green bonds focused on ESG are seeing increased capital inflows, improved infrastructure quality and environmental performance [1], [4]. The existence of a favorable regulatory framework enhances the impact of «green» financing on development indicators.

However, the research showed differences in access to green finance between regions. Some middle-income countries have made significant progress, while low-income countries are still not represented in global green capital flows. This highlights the need to create inclusive financial mechanisms and targeted support for least developed countries [3]. In the future, it is necessary to work on expanding access to green finance, unifying regulatory standards and encouraging innovation in the field of sustainable investments.

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