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GREEN TAXONOMY: ESSENCE, APPLICATION AND EFFECTIVENESS

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Abstract
The article presents the essence of the “green taxonomy”, the relevance and importance of its application in ensuring sustainable development, the need to produce a “green taxonomy” in Uzbekistan and the effectiveness of its implementation.

Keywords: sustainable development, green taxonomy, climate change, investment, transparency, energy efficiency

“Green” projects and “green” financing are becoming an integral part of the global trend towards the sustainable implementation and development of the “green” economy. The international financial system is developing towards the active growth of the “green” sector of global market finance and responsible investment.

The purpose of the article is to analyze approaches to the formation of a taxonomy of green projects, based on clearly defined criteria, to identify general prospects and directions for the development of a “green taxonomy” in Uzbekistan.

Green taxonomy is an approach to classifying and evaluating products, services and technologies that take into account their environmental impact and sustainability. This approach helps consumers and companies make more informed decisions towards environmentally friendly and sustainable products and services.

The Sustainable Finance Taxonomy is a standard and guide for all participants in the ESG ecosystem. It helps investors and companies make informed decisions based on sustainability, environmental and social issues

Green taxonomy is a relatively new concept and its exploration varies widely across countries and organizations. In the European Union, where the term was coined, green taxonomy is being actively studied and developed as part of a broader program on sustainable development and environmental friendliness. The program conducts research, develops standards and criteria to identify environmentally sustainable activities.

In other regions and countries, the study of green taxonomy is also active, but may be less systematic or intensive. Many universities, research institutes and organizations are studying the green taxonomy to understand its impact on economics, finance, investment and sustainable development.

Overall, the understanding of the green taxonomy will continue to grow as sustainability and environmental friendliness become increasingly important aspects for business, financial markets and society as a whole.

The term "green taxonomy" was first used by the European Union in 2018 in connection with the development of a classification of economic activities that contribute to sustainable development and environmental friendliness. The Green Taxonomy was presented as a system of standards and criteria for determining which economic

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activities can be considered environmentally sustainable. It covers a wide range of industries, from manufacturing to financial services, and is designed to help companies and investors make decisions related to sustainable development.

The international standard adopts the following green criteria taxonomy: reducing emissions or increasing absorption of greenhouse gases; adaptation to climate change; sustainable water management; formation of a circular economy; pollution prevention and control based on the best available technologies; conservation and restoration of biodiversity.

The green taxonomy is measured using specific criteria and standards set by regulators and expert groups. The green taxonomy measures the following core elements:

1. Sustainability Criteria: The Green Taxonomy defines criteria for assessing the sustainability of projects and products, including their environmental impact, social aspects and economic sustainability. These criteria may include, for example, energy efficiency, use of renewable energy sources, reduction of greenhouse gas emissions, social responsibility, etc.

2. Standardization: The green taxonomy involves the use of standardized methodologies and tools to assess and measure the level of sustainability of projects and products. This may include the use of environmental certifications, sustainability standards, product life cycle assessment methods and other tools.

3. Reporting: Companies and organizations claiming to comply with the green taxonomy must provide reports on their activities from a sustainability perspective, including information on their environmental performance, social responsibility, etc.

4. Monitoring system: To measure the green taxonomy, a monitoring system is used, which allows you to monitor the implementation of sustainability criteria, evaluate the results and set the required adjustments.

Green taxonomy criteria may include assessment of the environmental impact of products, services or technologies, resource efficiency, emissions and pollution levels, recyclability and disposal, use of renewable energy sources, and social and economic aspects of sustainability. Criteria can be developed based on scientific research, environmental standards and legislation. They may also include assessing the life cycle of a product or service - from raw material extraction to disposal - and allows investors, financial institutions and consumers to make informed decisions about their investments and consumer preferences.

The green taxonomy is applied in a variety of industries where sustainability and environmental responsibility play an important role. Some of the main areas where green taxonomy is applied include:

1. Financial sector: The Green Taxonomy is used to assess the sustainability of investments, lending and financial products. Financial institutions can use the green taxonomy to determine the degree of environmental responsibility of the projects and companies in which they invest.

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2. Industry: In industry, the green taxonomy is used to assess the sustainability of production processes, the selection of materials and technologies, and the development of environmentally friendly products.
3. Construction and real estate: This industry uses the green taxonomy to assess the sustainability of construction projects, material selection, and energy efficiency of buildings and infrastructure.
4. Transport: The Green Taxonomy is used to assess the sustainability of vehicles, the development of public transport, the use of renewable energy in the transport industry, etc.
5. Energy: In the energy industry, the green taxonomy is used to assess the sustainability of energy sources, develop energy efficient technologies, use renewable energy sources and reduce greenhouse gas emissions.
These are just a few examples of areas where the green taxonomy is being applied. Overall, the green taxonomy concept can be applied to any industry where there is a need to assess sustainability and environmental responsibility.
In UzbekistanResolution of the Cabinet of Ministers dated October 25, 2023 No. 561 "On**approval**National "green"**taxonomy**",In accordance with the Action Plan for the transition to a green economy and ensuring green growth in the Republic of Uzbekistan until 2030 (approved No. PP-436 dated 12/02/2022).
The national taxonomy of the green economy of Uzbekistan is divided into the following 7 categories:

- efficiency of water and raw material use;
- improve air and soil quality;
- sustainable agriculture and forestry, ecotourism;
- green transport;
- improve energy efficiency;
- Renewable Energy;
- green buildings.

National taxonomy of Uzbekistantakes into account multi-dimensional environmental benefits as a defining standard, and when defining a project as "green", special attention must be paid to environmental benefits in terms of reducing greenhouse gas emissions, reducing pollution, conserving resources and protecting the environment...
The effectiveness of a green taxonomy can be assessed using several criteria:
1. Eco-efficiency: Green taxonomy helps reduce negative environmental impacts, reduce greenhouse gas emissions, reduce water and soil pollution, and conserve biodiversity.
2. Cost-effectiveness: Products, services and technologies that comply with the green taxonomy can help save resources, reduce energy and material costs, and create new market opportunities in the sustainability sector.
3. Social efficiency: Green taxonomy can help improve people's quality of life, create new jobs in the field of sustainable development, improve working conditions and ensure the availability of environmentally friendly products and services for all segments of the population.

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4. Innovation Potential: A green taxonomy can stimulate innovation in environmentally friendly technologies, materials and processes, which contributes to the development of competitiveness and sustainability of enterprises and industries.

In general, the effectiveness of the green taxonomy is manifested in improving the quality of the environment, reducing negative impacts on it, creating new opportunities for business and society, as well as developing innovations in the field of sustainable development.

The green taxonomy is becoming increasingly important in the context of combating climate change and the pursuit of sustainable development. This concept develops standards to regulate green investments, green bonds and other financial instruments that support the transition to a more environmentally sustainable economy.

The effectiveness of green taxonomy is manifested in several aspects:

1. Transparency and standardization: The Green Taxonomy establishes clear criteria for identifying environmentally sustainable projects and products, which promotes transparency and standardization in the assessment and comparison of green investments.

2. Encouraging Green Investment: The Green Taxonomy helps investors and financial institutions make more informed decisions by channeling capital into environmentally sustainable projects and businesses, which contributes to the development of the green economy.

3. Promote sustainable development: The Green Taxonomy helps reduce negative environmental and social impacts by encouraging businesses and organizations to strive for sustainable development.

4. Contribute to the fight against climate change: By targeting investments in projects that reduce greenhouse gas emissions and improve energy efficiency, the green taxonomy plays an important role in the fight against climate change.

5. Development of new markets and technologies: The Green Taxonomy stimulates the development of new green technologies and innovations, creating new opportunities for entrepreneurs and companies.

Thus, the green taxonomy promotes the efficient use of resources, promotes sustainable development and the fight against climate change, and creates favorable conditions for the development of a green economy.

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