

- якісно новий рівень ресурсозбереження;
- зростання продуктивності праці й фондівіддачі;
- зниження матеріаломісткості, енергомісткості, капіталомісткості продукції;
- досягнення високої конкурентоспроможності продукції;
- докорінне перетворення структури народного господарства і зовнішньої торгівлі в бік розвантаження сировинного сектора економіки і збільшення внеску виробничих галузей;
- якісно новий рівень життя населення;
- подолання технічного відставання країни.

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### **MODERN MECHANISMS OF MEETING EFFICIENT GREEN INVESTMENT PROJECTS FINANCIAL RESOURCES NEEDS**

*In these thesis is highlighted the mechanism of stimulus of private equity firms and individuals to allocate their resources into the green investment projects and the instruments of government policy, those should be used.*

In the last years term “green investing” becomes more and more well-known together with its rising importance and significance. Nowadays environmental issues are discussed among countries’ leaders who try to get them solved.

As green investing is a far modern category, it would be appropriate to analyze its substance.

Green investments are traditional investment vehicles (such as stocks, exchange-traded funds and mutual funds) in which the underlying businesses are somehow involved in operations aimed at improving the environment. This can range from companies that are developing alternative energy technology to companies that have the best environmental practices. Unfortunately, because individual beliefs on what constitutes a "green investment" vary, exactly what qualifies as a green investment is a bit of a gray area. Purchasing stock in a business that is an industry leader in terms of employing environmentally conscious businesses practices in a traditionally "ungreen" industry may be considered a green investment for some, but not for others. [1] Because of a clear uncertainty of understanding and determination of this basic term, it may also bring the uncertainty into evaluation of volumes or tendencies of this issue. We need to conclude of how we think of green investments. We consider them as asset inflows, those are used for upgrading existing technologies or creating new ones, which result in improvement and decreased negative influence on environment together with generating other positive social effect or creating income for investor.

There are two main branches of eco-investments, that attract most of the resources and have the biggest impact on the environment: decreasing emissions technologies and renewable power and fuel. Both of these branches have been growing during the last several years, excluding year 2015. Due to economic crisis, which is getting more harsh, the investors' activity for eco-investments has reduced (resulting in number of deals) together with overall volume.

Coming closer to industry statistics: PE firms have completed 83 deals in global clean energy companies thus far in 2015, according to the PitchBook Platform, a 27% drop from the decade high of 113 deals completed last year. Also, the decline seems to parallel the sharp decrease in oil prices since 2014, perhaps influenced by the long-held perception that cheaper oil undermines demand for clean energy.[2]

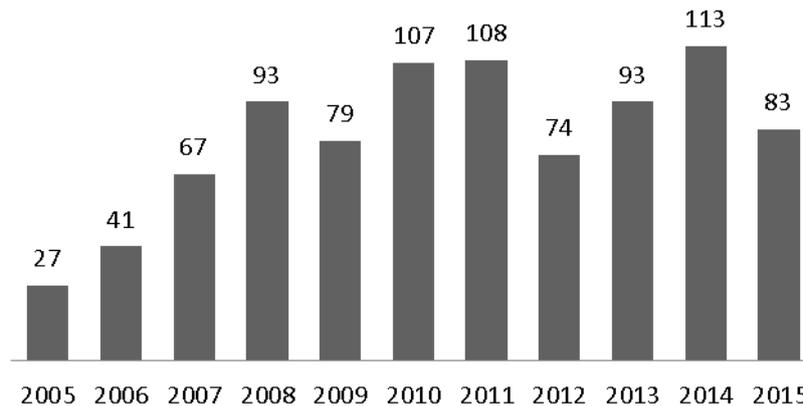


Figure 1. Number of private equity deals concerning green investments (in units)

Concluding on geographical structure of renewable power, it's worth saying that global investment in renewable power and fuels (excluding large hydro-electric projects) was \$270.2 billion in 2014, nearly 17% higher than the previous year. This was the first increase for three years, and reflected several influences, including a boom in solar installations in China and Japan, totalling \$74.9 billion between those two countries, and a record \$18.6 billion of final investment decisions on offshore wind projects in Europe. Investment in Europe advanced less than 1% to \$57.5 billion. A key feature of 2014 was the continuing spread of renewable energy to new markets. Investment in developing countries, at \$131.3 billion, was up 36% on the previous year and came the closest ever to overhauling the total for developed economies, at \$138.9 billion, up just 3% on the year. [3]

So, there are several regions, acting as key-drivers for eco-investments: Japan, China, European region and emerging markets. From the analysis it becomes evident, that green investment tended to grow during the last several years, but spontaneous oil's prices decrease influence the reduction of green-investments, because of their decreased business efficiency. Therefore, they need additional stimulus for growth and government fiscal police could be the most important one.

As far as green growth considered the only sustainable way of development for the world, but public finance cannot meet all the needs in resources the green investment gap turns to appear and grow. The best solution is hidden in mobilizing private finance through the smart use of limited public finance. In such conditions, attraction of private finance is crucial for the further growth and development. The total sum of needed additional resources is estimated at \$US 698 bn (from 2013 perspective).

Mobilization of such amount of required investments could be implemented with the help of public regulative tools. Among them are:[4]

- 1.Public support mechanism.
- 2.Public financing instruments.

The first one includes special police support and project level assistance. This tool is used as a government-power, not government-investor. The most convincing part seems to be fiscal policy.

Highlighting it we should strictly understand two basic concepts: fiscal taxes and environmental taxes.[5, p.28-30] The purpose of fiscal taxes is to raise revenues for public provided goods. In order to minimized efficiency loss, fiscal taxes should be levied where they are least likely to change economic behavior. But quite often it is considered to impose fiscal and environmental taxes on the same good. This raises both: theoretical and practical issues. Sandmo shows that the optimal tax on a good that is taxed both for fiscal and environmental purposes is not the sum of the fiscal tax and marginal environmental damage. Rather it is a weighted average of the fiscal tax and marginal environmental damage. Also the usage of tax credits, renewable energy quotas and repealing support for ‘brown’ sectors could be an efficient instrument as well. It can attract private investors by increasing their incomes by reducing costs. The second tool is mostly directed into better lending facilities and risk reduction. There are 3 groups of instruments: [4]

- Lending (debt): direct project lending, ‘green bonds’, debt funds, concessional and flexible loan terms;

- Direct equity investment;

- De-risking instruments: loan guarantees, insurance, foreign exchange and liquidity facilities.

The last group might seem even the most important. Because mostly green investments stated as venture ones and risk issue is clearly rough. Private investment in green technologies faces a number of risks:

- Political risks include changes in government that affect the legal system, and the risk of civil unrest in certain countries.

- Macroeconomic risks include fluctuations in economic conditions and commodity prices, interest and exchange rates.

- Policy risks entail regulatory changes, such as those to feed-in tariffs or fossil-fuel subsidies that can alter a project’s economic viability.

- Technology and operational related risks are those intrinsically related to the technology in question. These range from performance-related risks, where revenues might be lower than expected, to risks resulting from the lack of or unreliable supporting infrastructure, such as electrical and water-grid networks.

- Capacity risks refer particularly to development assistance and aid, where institutions and governments are unable to ensure funding is disbursed to projects and utilized.

In conclusion, it’s worth saying that developing green initiatives and supporting green investment projects have dramatic impact on the whole world’s future. Therefore, the idea of realizing the importance of such issue itself isn’t an efficient stimulus for private equity investors as it doesn’t necessarily mean the financial efficiency of the projects and there profitability in the future. In this case, government as the instance, which is interested in availability of future perspectives for economic growth and development should perform the policy, consisted of instruments and mechanisms mentioned above.

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