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## **“GREEN” FINANCE AS A DRIVER OF THE WORLD ECONOMIC DYNAMICS**

The general trends and problems of the world economy, in particular its financial system in the context of global sustainable development, are analysed in the article. Against the background of the rapid increase in the world population and global GDP growth is a catastrophic depletion of natural capital. All this according to UN projections can lead to reforming the world economy in view of the deep social, economic and environmental change. So, avoiding such negative effects is possible only in terms of providing the global sustainable development and the transition to a green economy. It is the financial sector that is able to provide these conditions, these qualitative changes.

The aim of the article is to investigate the methodological aspects of the formation of “green” finance and develop the principles and architecture of the future “green” financial system in the context of sustainable development of the world economy.

There is the variety of methodological approaches to the definition of green finance. It is advisable to understand by “green” finance – a set of financial products and services (in the form of investment or lending), which take into account the impact on the environment and improve environmental sustainability, ensuring that activities to reduce environmental and climate risks of global economic development.

Financing environmentally sustainable growth requires substantial amounts of investment. Green finance may provide growth opportunities in addition to delivering environmental benefits. Enhancing green finance could facilitate the growth of high-potential green industries, promote technological innovation and create business opportunities for the financial industry. For example, renewables represented approximately 62.5% of net additions to global power capacity in 2015 and the market size of electric vehicles expanded by 60% in 2014.

The development of green financial instruments, such as green loans, green bonds, green invest-

ment trusts and funds as well as green indices and ETFs, also mean business opportunities for many financial firms.

Thus, we have come to the conclusion that deepening the gap between quality of natural, productive and human capital, financial capital will increase significantly the risk of new financial bubbles, large-scale and deep crises. It is therefore necessary to develop a new architecture of the financial system, taking into account the current global challenges to ensure sustainable development of the world economy.

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