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LEGAL FRAMEWORK FOR GREEN ECONOMIC GROWTH: INTERNATIONAL AND NATIONAL DIMENSIONS

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Abstract. This article examines the legal framework for green economic growth from international, European and national perspectives, paying particular attention to the economic effectiveness of legal mechanisms that support the transition to sustainable development. The study's relevance is determined by the growing need to balance environmental protection with economic development priorities in the context of climate change, resource depletion and the implementation of the European Green Deal. The research focuses on the legal and economic mechanisms that regulate the development of a green economy, ensuring the transition to a low-carbon, resource-efficient growth model. The study aims to analyse the legal basis for green economic growth and evaluate the economic impact and effectiveness of regulatory instruments implemented at international, EU and national levels. The methodological framework combines both general scientific and specialised research methods. The dialectical method was employed to analyse the development of the concept of the green economy within the context of sustainable development theory. A comparative legal analysis was conducted to evaluate international, EU and Ukrainian legal instruments that govern environmental and climate policy. A systems approach was adopted to identify the interactions between legal, economic and environmental institutions. Statistical and economic analysis methods were employed to evaluate the impact of green investments, environmental taxation, emissions trading systems and renewable energy policies on sustainable economic development. The study shows that the modern legal framework for green economic growth combines international environmental law principles, climate governance mechanisms and economic incentives to stimulate environmentally responsible investment and production. Particular attention is given to the European Green Deal, the European Climate Law, the Fit for 55 package, the REPowerEU plan and the Circular Economy Action Plan. The research reveals that legal mechanisms are most effective when combined with economic instruments, such as carbon pricing, environmental taxation, emissions trading schemes, green finance and public investment programmes. Analysis of the EU's experience suggests that legal regulation has led to a significant increase in green investment, accelerated the deployment of renewable energy technologies and substantially reduced greenhouse gas emissions, all while maintaining economic growth. The findings confirm that the effectiveness of green transition policies hinges on integrating regulatory requirements with financial and institutional support mechanisms. It can be concluded that a green economy should be regarded as a comprehensive legal and economic transformation model aimed at achieving climate neutrality, environmental sustainability and long-term economic resilience. For Ukraine, the essential prerequisites for successfully implementing the green economy model are further harmonisation with EU environmental legislation, the development of green finance instruments, and the strengthening of institutional capacity.

Keywords: green economy, sustainable development, environmental law, legal framework, climate policy, EU Green Deal, legal harmonisation, environmental governance.

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1. Introduction

The global environmental crisis, accelerated climate change and depletion of resources require fundamental changes to economic development models. Traditional growth paradigms are being replaced by environmentally oriented approaches that aim to ensure sustainability, efficiency and ecological balance.

In this context, the legal framework for green economic growth is a vital tool for incorporating environmental priorities into national economic governance. Legal regulation establishes the conditions that enable investment in renewable energy, energy efficiency and low-carbon technologies, thereby ensuring coherence between economic development and environmental protection.

This issue is particularly relevant for Ukraine due to the necessity of aligning national legislation with EU environmental standards as part of the process of European integration. Adapting legal mechanisms in the energy, transport, agriculture and industrial sectors is essential for achieving sustainable development goals and climate neutrality.

The purpose of this article is twofold: firstly, to analyse the legal foundations of green economic growth in international and national contexts; and secondly, to identify ways in which Ukraine's environmental legal framework can be improved.

2. Materials and Methods

The research is based on a combination of general scientific and special legal methods.

The dialectical method was employed to analyse the development of the concept of a green economy in relation to sustainable development theory. The comparative legal method was employed to analyse international, EU and Ukrainian regulatory frameworks. The formal legal method was employed to interpret international treaties and EU legal acts. System analysis was employed to identify the interconnections between environmental, economic and legal institutions.

The study draws on international legal instruments, EU legislative acts, Ukraine's national policy documents, and academic publications on sustainable development and environmental law.

3. Results and Discussion

In the 1980s, environmental economics emerged as a philosophy and an integral part of the 'green' economy concept. This concept was an alternative to traditional approaches in this field, aiming to understand and address the interrelationships between the economy, society and the environment. The green economy is a modern economic model that focuses on ensuring sustainable development while taking environmental constraints and the rational use of natural resources into account.

The key principles of a green economy include the efficient use of resources, minimising waste, transitioning to low-carbon development, reducing greenhouse gas emissions, restoring natural ecosystems, promoting social inclusion and creating new jobs by implementing innovative technologies. Implementing these principles requires a systematic approach involving a profound transformation of production and consumption models, and the 'greening' of key economic sectors such as energy, transport, agriculture and industry.

The term 'green economy' was first coined in the 1989 report Blueprint for a Green Economy, which was published by a group of British environmental economists led by D. Pearce. In the report, the authors offered the British government practical recommendations on how to integrate environmental considerations into economic policy, as a follow-up to the 'Our Common Future' report.

The 1992 Rio Declaration on Environment and Development, adopted by the United Nations Conference on Environment and Development, was one of the first international documents to systematically define the principles of sustainable development. The Declaration's articles proclaim principles that have become the foundation for states' environmental policies. These include the 'polluter pays' principle (Principle 16), the precautionary principle (Principle 15), and the right to a healthy and productive life in harmony with nature (Principle 1). The Rio Declaration initiated a new phase in the legal understanding of the relationship between economic activity and environmental protection. It laid the groundwork for the creation of legal mechanisms to 'green' the economy.

These ideas were further developed during the 70th session of the UN General Assembly and are reflected in the Sustainable Development Goals (SDGs), which were adopted by the UN General Assembly on September 25, 2015. The resolution is titled 'Transforming our world: the 2030 Agenda for Sustainable Development'. In particular, Goals 7, 12 and 13 aim to ensure access to clean energy, promote sustainable consumption and production, and combat climate change (Goal 7 'Ensure universal access to affordable, reliable, sustainable, and modern energy for all', Goal 12 'Ensure the transition to sustainable consumption and production patterns', Goal 13 'Take urgent action to combat climate change and its impacts'). These guidelines have become universal international standards for countries seeking to implement policies to transition to a 'green' economy. They establish a set of legal, financial and governance tools to balance economic growth with environmental conservation. In particular, 'to establish a strategic framework for

Ukraine's national development up to 2030 based on the principle of "leaving no one behind", an inclusive process of adapting the Sustainable Development Goals was launched'. Each global goal was considered with regard to the specifics of national development.

The 2015 Paris Agreement to the United Nations Framework Convention on Climate Change is significant in developing the legal framework for the 'green' economy. Its purpose is 'to strengthen the global response to the threat of climate change in the context of sustainable development and efforts to eradicate poverty'. The Convention established a new model of co-operation between states on climate policy. This model focuses on gradually transitioning to a low-carbon economy, developing 'green' technologies and establishing a financing system that encourages environmentally sound investments.

It should be noted that the aforementioned international legal instruments have had a significant impact on national and regional legal systems. Based on these instruments, the EU has developed a series of strategic documents, including the European Green Deal, which was adopted in 2019. This has become a key political and legal instrument for implementing the Paris Agreement at a regional level, serving as a roadmap of measures that will transform the European Union into an efficient, sustainable, and competitive economy, and define the means to make Europe the world's first climate-neutral continent by 2050'. In accordance with the provisions set out by the European Commission, the objective is to achieve climate neutrality by 2050. The European Climate Law (Regulation (EU) 2021/1119 of June 30, 2021) stipulates that 'climate neutrality by 2050 means achieving net-zero greenhouse gas emissions for the EU as a whole, primarily through emission reductions, investment in green technologies, and environmental protection'.

Moreover, the principles of the Sustainable Development Goals are integrated into European directives in the areas of energy, transport, agriculture, waste management, and biodiversity conservation (for example, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EC, 2012/27/EU, and 2013/30/EU, as well as Council Directives 2009/119/EU and (EU) 2015/652), which demonstrates the harmonious integration of international environmental standards with EU legal mechanisms (Wang, Li, Jiang, 2023).

In the context of European integration, the impact of the European Green Deal on Ukraine's national legal system is becoming increasingly significant, as its implementation entails not only the alignment of legislation with EU environmental standards but also the structural transformation of the economy, energy sector, transportation, and agriculture in accordance with the principles of sustainable development. Ukraine is already actively incorporating European environmental standards into its national policy, in particular through the adoption of the National Energy and Climate Plan for the period up to 2030 ('the aim of which is to align energy and climate policy to ensure sustainable development and the recovery of Ukraine's economy'), reforming agricultural and industrial policy, developing renewable energy sources and introducing 'green' financing mechanisms. Joining the European Green Deal opens up opportunities to participate in joint research and technology projects, promotes investment in energy efficiency, bioenergy and the circular economy, and contributes to the harmonisation of domestic policy with European standards on climate neutrality.

One of the key legislative initiatives under the European Green Deal is the European Commission's 'Fit for 55' legislative package (2021), which aims to make the EU carbon neutral by 2050. Alongside strategies such as the Offshore Renewable Energy Strategy (2019), the EU Industrial Strategy (2020–2021), the Energy System Integration Strategy and the Hydrogen Strategy (2020), the 'Fit for 55' package establishes a comprehensive regulatory framework for the EU's transition to a low-carbon economy. This framework integrates environmental, energy and industrial policies into a unified system of sustainable development. The package encompasses a wide range of legislative measures designed to reduce greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels. These measures include revising the EU Emissions Trading System (EU ETS), establishing a new Carbon Border Adjustment Mechanism (CBAM) and updating the EU Renewable Energy Directives (RED II and RED III), as well as the Energy Efficiency Directive. These measures facilitate the transition to 'cleaner' technologies, encourage investment in 'green' energy, promote energy efficiency in industry and transport, and enhance social justice by creating special climate funds to support vulnerable groups during the energy transition.

In the aftermath of the energy crisis precipitated by Russia's aggression against Ukraine in 2022, the EU initiated and executed the 'REPowerEU' initiative (a strategy to expeditiously diminish reliance on Russian fossil fuels and expedite the 'green transition'), which was a response to the imperative to curtail reliance on imports of Russian fossil fuels and address the climate crisis. The implementation of the Recovery and Resilience Facility (RRF) is achieved by means of amendments to Regulation (EU) 2021/241, which authorises member states to finance investments in renewable energy sources, energy efficiency, and the development of infrastructure for hydrogen and biomethane. The 'REPowerEU' initiative has a clear legal framework that defines the obligations of Member States regarding the updating of national energy

plans, the establishment of joint energy procurement platforms and the development of interconnectors between EU countries' energy systems. This contributes to strengthening energy security while accelerating the achievement of the European Green Deal's climate goals.

Another of the EU's strategic initiatives for building a 'green' economy is the Circular Economy Action Plan, which was adopted by the European Commission in 2020. 'The aim of this Plan is to reduce consumption in the EU and double the reuse of resources in the coming decades, while promoting economic growth'. With this objective in mind, the Plan has established a legal framework to facilitate the transition from linear to circular production and consumption models. These models involve minimising waste, reusing materials and improving resource efficiency. The Action Plan encompasses various sectoral strategies, including the Sustainable Products Initiative, which seeks to establish eco-design criteria for an array of products, and the European Strategy on Plastics in a Circular Economy. Key areas for implementation include the development of a regulatory framework to reduce food waste, the introduction of an extended producer responsibility system, the harmonisation of recycling and recovery standards, and the promotion of 'green' public procurement.

3.1. Evolution of the Green Economy Concept

The theoretical foundations of the green economy emerged within environmental economics in the late 20th century as an alternative to traditional growth models. This concept emphasises the integration of economic efficiency, social inclusion and environmental sustainability.

The term 'green economy' was popularised in *Blueprint for a Green Economy* (Pearce et al., 1989), which emphasised the need to incorporate environmental considerations into economic policy-making.

A fundamental milestone in the development of the theory of sustainable development was the Brundtland Report (1987), which defined sustainable development as development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

3.2. International Legal Framework

The 1992 Rio Declaration on Environment and Development established several key principles of international environmental law, including the precautionary principle, the polluter pays principle and the right to sustainable development.

The 2030 Agenda for Sustainable Development (UN Resolution A/RES/70/1, 2015) further strengthened the global framework by introducing Sustainable Development Goals (SDGs), particularly:
– SDG 7 – Affordable and Clean Energy;
– SDG 12 – Responsible Consumption and Production;
– SDG 13 – Climate Action.

The Paris Agreement (2015) established a legally binding framework for climate governance with the aim of limiting the increase in global temperatures and promoting low-carbon development pathways.

3.3. EU Legal Framework for Green Transition

The European Union has developed a comprehensive legal framework to implement a green economic transformation. The European Green Deal (2019) is a strategic plan to achieve climate neutrality by 2050.

The European Climate Law (Regulation (EU) 2021/1119) legally enshrines the objective of net-zero greenhouse gas emissions by 2050.

Key legislative initiatives include:
– 'Fit for 55' package;
– REPowerEU Plan;
– Circular Economy Action Plan.

These instruments promote the integration of environmental objectives into energy, industrial and transport policies, thereby encouraging decarbonisation and the sustainable management of resources.

3.4. National Implementation in Ukraine

Ukraine is gradually incorporating EU environmental standards into its national legislation. The **National Energy and Climate Plan until 2030** serves as a strategic document aligning national policy with EU climate objectives.

Key areas of transformation include:
– Development of renewable energy sources;
– implementation of energy efficiency measures;
– introduction of green finance mechanisms;
– modernisation of environmental governance systems.

For Ukraine to integrate into the European Green Deal framework, it is essential that it harmonises with EU environmental law.

3.5. Economic Effectiveness of Legal Mechanisms of Green Growth in the European Union

The effectiveness of green economic growth policies should be assessed through the development of legal frameworks and measurable economic and environmental outcomes. The European Union is a useful example of how legal instruments can influence investment activity, greenhouse gas emissions, energy transformation and economic competitiveness.

One of the most significant achievements of EU green policy has been the mobilisation of substantial green investment. The European Green Deal Investment Plan was designed to stimulate around 1 trillion EUR in sustainable investments over the next decade. Further financial support has been provided through the InvestEU Programme, the Just Transition Mechanism and the Innovation Fund to stimulate investment in renewable energy, energy efficiency, clean technologies and sustainable infrastructure.

The implementation of the EU Emissions Trading System (EU ETS) has had a significant impact on the economy and the environment. Since its introduction, it has encouraged enterprises to adopt cleaner technologies and reduce carbon-intensive production processes. Statistical evidence shows that greenhouse gas emissions in the European Union have fallen significantly since 1990, while the EU economy has continued to grow. This gradual decoupling of economic growth from environmental degradation is evident.

The expansion of renewable energy can be regarded as a significant indicator of the efficacy of legal regulation. The EU's directives on renewable energy and energy efficiency have been instrumental in promoting the continuous increase of renewable energy sources within the energy mix. Investments in wind and solar energy have been demonstrated to engender novel employment opportunities, to fortify energy security, and to curtail reliance on imported fossil fuels (Hepburn, Stern, Stiglitz, Zenghelis, 2022).

Environmental taxation has also become an important tool in supporting the green transition. Several EU Member States, including Sweden, Denmark and Germany, have introduced environmental taxes and carbon pricing mechanisms to internalise environmental costs. These measures encourage businesses to improve their use of resources while generating public revenue that can be invested in sustainable development projects.

The REPowerEU initiative further highlights the economic importance of legal mechanisms. Introduced in response to the energy crisis caused by Russia's invasion of Ukraine, it has accelerated investment in renewable energy, hydrogen technologies and energy-saving measures. Consequently, the EU has bolstered its energy independence while advancing its climate goals.

The analysis confirms that legal mechanisms are most effective when combined with economic incentives. Together, environmental regulation, green finance, emissions trading and environmental taxation create favourable conditions for sustainable growth, technological innovation and long-term economic resilience.

4. Conclusions

The legal framework for the 'green' economy is considered to be a thorough set of rules that governs the relationship between economic, social and environmental processes within the context of sustainable development. It is based on a combination of international, European and national legal mechanisms that aim to ensure environmental balance and improve the efficiency with which natural resources are used. The concept is founded on the principle of the rational use of natural resources to achieve economic growth without harming the environment.

Key international documents have shaped the evolution of approaches to the 'green' economy by establishing global standards for states' environmental responsibility, defining pathways for transitioning to a low-carbon model of production and consumption, and providing a legal framework for integrating environmental priorities into national economic strategies. These documents have also defined the legal instruments for transitioning to a climate-neutral economy and stimulated the development of renewable energy, innovative technologies, and environmentally safe production.

Ukraine is gradually incorporating the principles of 'green' policy into its national legislation, guided by EU regulations and international environmental standards. Notably, legal mechanisms in the energy, transport, agriculture and waste management sectors are being harmonised, thereby creating a legal environment conducive to the implementation of innovative environmental solutions.

The legal model of the 'green' economy ensures a transition to sustainable development by aligning economic, social and environmental interests. Implementing this model requires improving the regulatory framework, developing the state's institutional capacity, introducing 'green' financing mechanisms and expanding international co-operation. Forming such a system sets out the strategic direction of modern legal regulation, focusing on ensuring climate neutrality, environmental safety and improving quality of life.

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