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SPECIFICS OF APPLYING FINANCIAL INSTRUMENTS TO ENSURE SUSTAINABLE DEVELOPMENT

Sustainable development represents a strategic approach to economic growth that is actively employed by leading countries worldwide. Its primary goal is to promote harmonious social progress and create the conditions necessary for a dignified life for future generations. Particular emphasis is placed on balancing the economic, social, and environmental dimensions of development.

The implementation of sustainable development principles requires significant financial investment. According to the United Nations, an estimated \$5 to \$7 trillion USD must be mobilized annually to achieve the Sustainable Development Goals (SDGs), with developing countries alone needing approximately \$3.3 to \$4.5 trillion. These funds are crucial for modernizing infrastructure, advancing education and healthcare, strengthening food security, and responding to climate change. However, there remains an annual financing gap of roughly \$2.5 trillion [1].

Securing the necessary funding presents a major challenge for many nations, particularly those with weaker economies. As a result, the implementation of the SDGs tends to be gradual and uneven. This underscores the critical need for an in-depth analysis of financial approaches and instruments capable of supporting sustainable development effectively.

The experience of developed countries demonstrates that financing should be based on a broad range of sources. The government plays a leading role in creating favorable conditions for investment, particularly in social and environmental projects.

Alongside the development of financial mechanisms for sustainable development, research is being conducted to establish both the theoretical and practical foundations of this field. However, the terminology in this area still requires clarification. Ukraine should consider European experience when improving its national approaches.

In global practice, the financing of sustainable development employs the following instruments:

resource mobilization: attracting foreign direct investment, international aid, and support from financial institutions (e.g., the Global Environment Facility);

fund release: implementing resource-saving technologies, debt relief, and optimizing budget expenditures;

tax instruments: introducing new environmentally focused taxes and providing tax incentives for eco-initiatives [2].

Additional sources may include the transfer of environmental technologies, prevention of financial crises, and investments in education and innovation.

In Ukraine, regional sustainable development policy is based on a Presidential Decree that sets priorities through 2030. These priorities include the harmonious development of regions, taking into account natural resources, economic characteristics, and alignment with the development of other regions.

Each region is expected to develop its own sustainable development model, which encompasses:

- achieving socio-economic balance;
- establishing an appropriate economic mechanism;
- considering local specificities (geographical, resource-based, historical, etc.).

The effectiveness of achieving the goals can be assessed using indicators such as:

economic indicators (GDP per capita, employment rate, etc.);

social indicators (poverty rate, healthy life expectancy, unemployment rate);

environmental indicators (greenhouse gas emissions, water and air quality);

resource indicators (waste volume and treatment methods) [3].

Currently, Ukraine focuses on improving living standards, enhancing human capital quality, and ensuring environmental security. Within the framework of European integration, the country aims to effectively utilize international aid and the experience of the European Union, as well as to strengthen cooperation with international institutions.

The application of financial instruments such as green bonds, environmental funds, concessional loans, and public-private partnership mechanisms enables the allocation of resources toward the implementation of sustainable development projects. This creates

conditions for reducing energy dependency, lowering greenhouse gas emissions, modernizing infrastructure, and enhancing the country's investment attractiveness.

Thus, ensuring sustainable development requires not only mobilizing financial instruments but also developing the institutional capacity of the state for effective management of these resources. It is equally important to establish transparent mechanisms for monitoring and evaluating the impact of financing on the economic, social, and environmental dimensions of development.

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