GREEN ECONOMY OF THE BALTIC REGION AND INNOVATION PROMOTION: PROSPECTS FOR BELARUS

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At the beginning of the 20th century, the construction of power plants became a turning point for the region. Power plants often became city-forming enterprises. Now that small villages can use electricity produced by wind turbines or solar panels installed on the roofs of the houses, there will be no need for this - people may settle far away from the cities and villages, and at the same time they will be provided with energy as trouble-free as those living in the center of the metropolis. Thanks to the growth of RES, small settlements will get closer to the cities, forming more agglomerations.

ЗЕЛЕНАЯ ЭКОНОМИКА БАЛТИЙСКОГО РЕГИОНА И ПРОДВИЖЕНИЕ ИННОВАЦИЙ: ПЕРСПЕКТИВЫ БЕЛАРУСИ

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В начале XX века строительство электростанций стало определяющим моментом для развития региона. Электростанции часто становились градообразующими предприятиями. Теперь, когда небольшие деревни используют электроэнергию, производимую ветряными турбинами или солнечными батареями, установленными на крышах домов, люди селятся далеко от городов и деревень, и при этом они обеспечены подачей такой же с такой же бесперебойной энергии, как и те, кто живет в центре мегаполиса. Благодаря развитию ВИЭ небольшие поселения приближаются к городам, образуя агломерации.

Innovation Stimulation

Renewable energy is rapidly developing and is one of the most knowledge-intensive industries. RES require innovative solutions both in the field of technology (the amount of electricity generated by wind turbines or solar panels is tied to natural cycles; that is why this energy must be stored) and new business models that would promote the popularization of these technologies and, consequently, widespread electrification of even the most distant corners of the world. Innovations in demand-side management are also much needed. Innovation promotion will have a positive impact not only on the electric power industry, but also on knowledge-intensive industries in general, since the technologies developed for RES will find application in the related fields: for example, many automobile manufacturers are now working on solving the problem of energy storage as their challenge is to create an inexpensive electric car.

An increase in the use of renewable energy sources will lead to the reduction in oil and coal use; the very concept of energy transition implies a gradual reduction in the use of hydrocarbons until the complete refusal to use them. Renewable energy sources are available in every country. This means that the dependence of the countries that have no fossil fuel resources on the countries that are rich in them will begin to decrease. This will launch a process of the so-called energy democratization, when electricity becomes cheaper and available to all segments of the population.

Economy and Green Financing: Prospects for Belarus

The promising areas of green transition and promotion of green economy in Belarus are as follows: creation of a special green regulatory framework, including for instruments (green bonds, credits, etc.). The Republic of Belarus has passed a number of laws and regulations aimed at the mitigation and adaptation to climate change. However, there is no integrated regulatory framework in Belarus to assess green projects, instruments, etc. For this reason, no system of green bonds verification and certification has been developed in Belarus, no green funds have been created.

For example, the following basic requirements should be established for the issue of green securities:

– commitment to the sustainable development goals (goals related to the environmental aspects) and confirmation of the indicators specified for this purpose (e.g. emission and waste indicators, building standards, etc.);
– high level of transparency and availability of data reporting to a wide range of users;
– when considering a placement of sovereign green bonds, it is necessary to attract the so-called "anchor" investor, as well as assign special green ratings (for example, green bond ratings produced by Moody’s and Standard & Poor’s agencies);
– interaction with international organizations and foreign investors.

Among the promising areas of green economy, the following can be highlighted:

- improvement of financial literacy of the population, as well as popularization of rating activities among various users;
- creation of eco-ratings, verification and certification systems for green finance instruments;
- study of experience of regulators from different countries in creating green finance instruments.