

## **The Approach of International Organizations in Assessing the Green Economy: The Rating Method of Gggi and Dual Citizen International Agencies**

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**Abstract:** The goal of increasing human well-being, rational use of resources, and minimizing damage to the environment in achieving sustainable development is a common aspect in the assessment of "green economy" by international organizations. Differences in the assessment of the "green economy" by international organizations are reflected in the system of indicators used by them.

**Keywords** green economy, brown economy, ranking method of assessment, Global Green Growth Institute, green growth, social integration.

In international practice, the indicators of "green growth" are widely used in the evaluation of the "green economy". In particular, in 2009, representatives of 34 countries signed the "green growth" declaration, and it was concluded that sustainable economic growth in the long term can be ensured only at the expense of "green growth"[2]. "Green growth" is a new, comprehensive concept compared to the traditional concept of economic growth, which also takes into account the losses (implicit costs) that occur simultaneously with economic growth. In particular, the damage caused to nature as a result of economic growth and the decrease of national wealth are among them [7]. If the "green model" of economic growth is perfectly developed and effectively implemented, it will have a positive effect on sustainable production and consumption choices in terms of resource consumption and will allow to achieve the following results:

In the economic sphere:

- increase in gross domestic product and its relatively equal distribution among the population;
- preventing the increase or decrease in the provision of ecosystem services;
- diversification of the economy, i.e. improvement of economic risk management;
- creation and use of green technologies, innovations, i.e. increased confidence in the market.

In the ecological field:

- increase in productivity and efficiency in the use of natural resources; - natural capital used within ecological limits;
- increase in the volume of other forms of capital (production and human capital) using non-renewable capital;
- reduction of the level of negative impact on the environment and improvement of natural risk management.

In the social sphere:

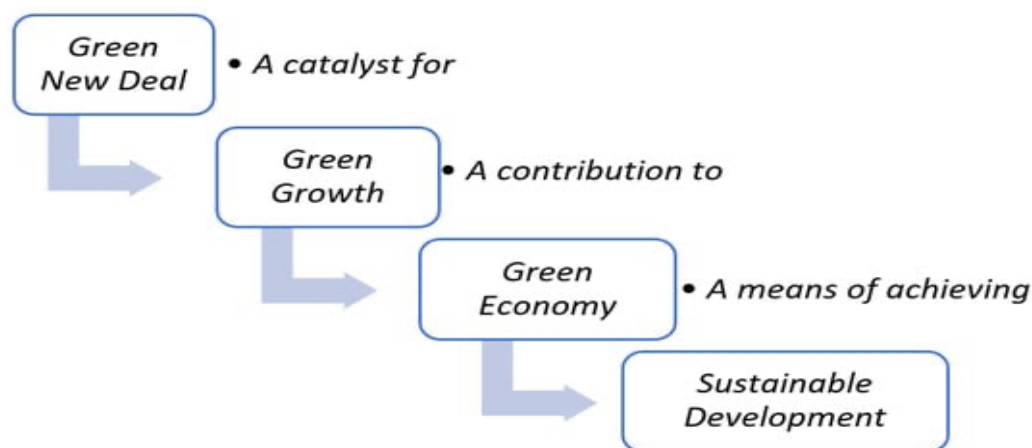
- increase in the living conditions, income and quality of life of the population, including the poor;
- creation and encouragement of jobs that are decent for the poor and allow to raise the standard of living of the population;
- increase of social, human and knowledge capital;
- a decrease in the level of stratification.

"Green economy" is a concept that serves to ensure sustainable economic growth. However, within this concept, the system of indicators providing "green growth" and describing the processes of transition from "brown economy" to "green economy" has not been officially adopted. For this reason, the system of indicators developed by international organizations such as the Global Green Growth Institute (GGGI), IHTT, UNEP, and the World Bank is currently being used to describe "green economy" and "green growth". . While some of these indicator systems are similar, some differ sharply from each other. This situation largely depends on the approach of international organizations to the concept of "green economy" [4].

Strategy 2030 development is built on the achievements and learnings from the six-year GGGI Strategic Plan 2015–2020 that has guided the organization's efforts in supporting its Members in their transition toward a model of green growth to date. Based on a set of guiding principles and thematic areas, its sphere of influence and programmatic interventions were designed around three Intermediate Outcomes:

- (i) strengthened national, sub-national, and local green growth policy planning, financing, and institutional frameworks;
- (ii) increased green investment flows;
- (iii) improved multidirectional knowledge sharing and learning between countries on green growth.

The mid-term review in 2017 resulted in key lessons learned, which were translated into a "Refreshed" Strategic Plan 2015-2020 that articulates its impact level around six Strategic Outcomes (SO) to support GGGI Members in moving toward a green growth model that simultaneously achieves poverty reduction, social inclusion, environmental sustainability, and economic growth. The implementation of the concept of "green economy" in turn requires the development of a system of reliable indicators for evaluating the "green economy", which helps to make effective decisions and implement the necessary measures. In international practice, there are different approaches to the formation of the "green economy" assessment system. World practice shows that most countries often use the rating method in the comparative evaluation of complex processes and objects.



**Figure 1. Green Deal, Green Growth and Green Economy as a Means of Support for Attaining the Sustainable Development Goals**

Popular methods of rating "green growth" are used by international agencies GGGI and Dual Citizen. GGGI is located in Seoul, Republic of Korea, and aims to promote "green growth" that represents a balance between economic growth and environmental sustainability. GGGI works in priority areas such as energy, water supply, land use and green cities, which can ensure "green growth" of the national economy. The system of green economy evaluation indicators developed by GGGI is based on indicators that describe the level of assessment of the transition to the "green economy" and the level of ensuring sustainable "green growth" [6]. These indicators are divided into categories such as diagnosis, planning, evaluation and monitoring, depending on the stages provided for in the state program of transition to the "green economy" of the country. Diagnostic indicators serve to assess the general state of the country and identify existing problems. Planning indicators are based on the "problem→state→measures" approach. These indicators serve to determine the causal relationships between the problems of sustainable economic growth identified with the help of diagnostic indicators and the measures aimed at solving them. Alternative "green growth" scenarios will be developed based on planning indicators. The evaluation and monitoring indicators allow to control the implementation process of the "green growth" program and evaluate the achieved results. GGGI "Green growth" index (GGI) is calculated on the basis of 36 indicators in the following areas (Figure 2) [3]:

- effective and rational use of resources;
- protection of natural capital;
- opportunities of green economy;
- social integration

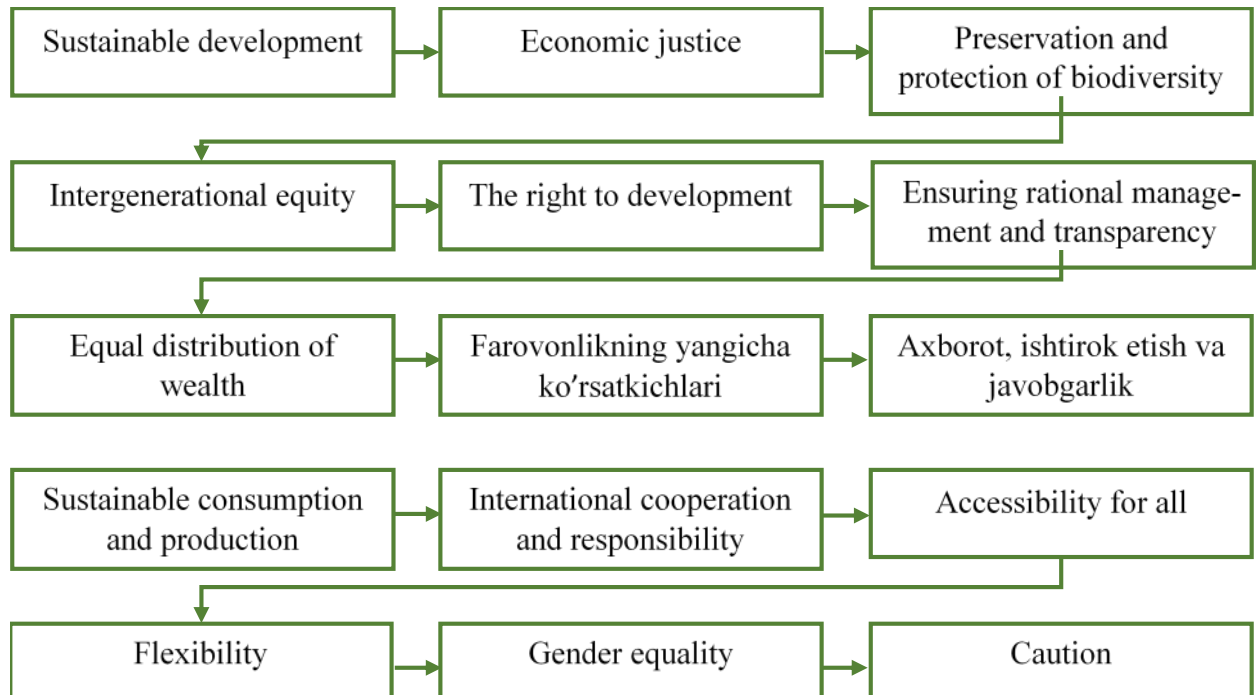
The ranking carried out by GGI in 2019 covers 115 countries and countries are evaluated from 0 to 100 points. The "green economy" indicator used by the international agency Dual Citizen is called the Global Green Economy Index (GGEI) and represents the level of implementation of the "green economy" on the scale of 130 countries. Starting from 2010, the rating is determined based on expert surveys.

Asian Countries consists of five subregions — Central Asia, Eastern Asia, Southeastern Asia, Southern Asia, and Western Asia. East Asian countries dominate the Asian region in the social inclusion dimension, with Japan scoring 83, the highest in the region after Singapore. Despite this, the overall green growth performance in Eastern Asia is comparable to Southeastern Asia due to the higher scores for efficient and sustainable resource use and natural capital protection in the latter subregion. On the one hand, East Asian countries, including China and Japan, have very low scores for sustainable land use, mainly due to a very low share of organic agriculture to total agricultural land area. On the other hand, Southeastern Asian countries have the highest score for natural capital dimension, mainly due to the subregion's rich biological diversity. The ASEAN Centre for Biodiversity has reported that Southeastern Asia has the highest mean proportion of country-endemic bird (9%) and mammal species (11%), compared to other world regions [7]. After Eastern Asia, Central Asia has the second highest score for social inclusion in Asia. Central and Eastern Asia's high social inclusion ratings are commensurate to the public policies and initiatives implemented in countries such as the Republic of Korea, Japan, and Kazakhstan. The three countries provide 100% access to basic services, such as electricity. The population of the Republic of Korea also has 100% access to fiber Internet subscriptions, demonstrating full accessibility of information, communication, and technology services[8].

While Central Asia shows promising scores for the social inclusion dimension, it has low performance in green economic opportunities compared to other subregions. The same pattern is apparent in Western Asia, with only a low score for green economic opportunities. The Southern subregion has the lowest score for social inclusion. This is attributed to a very low performance in gender balance and social protection in many South Asian countries[9]. Except for Nepal, the scores for the proportion of seats held by women in national parliaments are less than 50. Sri Lanka

scores 60 in access to health care, but many other countries in South Asia have scores below 30 for this indicator. Sri Lanka's government provides universal health coverage.

Average score of the indicators for each green growth dimension by region – Africa, the Americas, Asia, Europe and Oceania. The diagrams show values of 0 to 100, where the latter implies reaching sustainability targets for the indicators.



**Figure 2. Principles of development of social entrepreneurship aimed at environmental protection**

This index evaluates the state of the "green economy" in the following areas through quantitative and qualitative indicators [5]:

- initiative and climate change (leadership & climate change);
- participation and leadership in the fight against climate change;
- efficiency (efficiency sectors);
- efficiency of resource and energy use in economic sectors;
- markets and investments (markets & investment);
- "green" innovations, development of investments, introduction of "green" technologies in production and management;
- environment (environment);
- environmental quality and ecosystem status.

The rating is formed based on the calculation of the average percentage of the indicators presented in the table, and the global green economy index is determined. In 2018, 130 countries took part in the ranking, and the first ten were occupied by Sweden, Switzerland, Iceland, Norway, Finland, Germany, Denmark, Taiwan, Austria, and France.

Conclusion. The global "green economy" index is calculated as a coefficient, and the degree of transition of countries to a green economy is presented in the report in the form of a rating. In some cases, when data are presented separately by country, indicators are presented by groups of relevant categories.

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