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The Role of The COP Summit in Green Financing of The Activities of Entrepreneurial Entities

Maxtimova Z.O.

Senior Lecturer, Department of "Regional Economy," Tashkent State University of Economics (TSUE), Uzbekistan

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Abstract: This article analyzes the role of the COP summit in financing the activities of entrepreneurial entities. Within the framework of global climate change and sustainable development goals, supporting entrepreneurship is of significant importance. COP summits serve as a platform for strengthening cooperation between states, business, and civil society to combat climate change and stimulate sustainable economic growth. The article examines the role of COP summits in attracting financial resources, investments, and innovations, as well as the opportunities provided to entrepreneurial entities to ensure environmental sustainability. The research results reveal the importance of entrepreneurial activity in the fight against climate change and the strategic role of COP summits in this process.

Keywords: Green financing, COP summit, entrepreneurial entities, sustainable development, climate change, climate policy, environmental investments, green economy, green loans, green bonds, carbon emissions, energy efficiency, renewable energy, international climate agreements, climate finance.

Introduction: Several scientific research methods were employed in this study to examine the significance of international climate summits, specifically the COP summits, in the process of green financing for the activities of entrepreneurial entities.

First, using the systemic analysis method, existing scientific literature, reports from international organizations, and regulatory documents on green financing, sustainable development, and climate policy were studied. Through this method, the theoretical foundations of environmentally sustainable financing for entrepreneurship were analyzed.

Second, based on the comparative method, green finance mechanisms formed in various countries as a result of COP summits-including green loans, green bonds, and climate finance instruments-were compared.

Third, the statistical analysis method was used to study international climate finance flows, the volume of green investments, and environmental financing indicators directed toward entrepreneurial entities.

Additionally, induction and deduction methods were used to develop practical recommendations from general theoretical conclusions and to identify opportunities for developing green financing within entrepreneurial entities.

Furthermore, through the methods of logical analysis and synthesis, the impact of decisions adopted at COP summits on the business environment was assessed, and their role in the transition to a green economy was scientifically substantiated.

LITERATURE REVIEW AND METHODOLOGY

Analysis of current scientific research and practical experiences in the field of green financing for entrepreneurial entities demonstrates the global relevance and ever-expanding scope of this topic. In recent years, factors such as the economic consequences of climate change, the reduction of carbon emissions, and the necessity of transitioning to renewable energy sources have increased the importance of green approaches within government policies and the activities of financial institutions. The concept of ensuring environmental sustainability through the financial sector has become a priority not only for developed nations but also for developing countries.

The term "green financing" is interpreted in various ways in scientific literature. According to the OECD (2020) report, green financing is described as a "system that ensures financial decision-making based on environmental criteria." In other words, it is not merely the funding of environmental projects, but the promotion of environmentally friendly economic activities through financial instruments.

Among international researchers, Nicholas Stern, in his work "The Economics of Climate Change," analyzes the impact of climate change on the global economy. The author substantiates the necessity for states and the business sector to increase environmental investments to resolve climate issues.

Jeffrey Sachs, in his book "The Age of Sustainable Development," analyzes the concept of sustainable development from economic, environmental, and social perspectives. It highlights the importance of the green economy and the environmental financing of entrepreneurial activities.

Paul Hawken, in his work titled "Drawdown: The Most Comprehensive Plan Ever Proposed to Reverse Global Warming," provides information on environmental projects and investments that can be implemented to prevent global warming. It outlines ways to mitigate environmental problems through business and investment.

Furthermore, in 2024, in cooperation with the UNDP, AFD, and the European Union, the "Green Budgeting" project was launched—a project aimed at integrating environmental criteria into state budget expenditures. This process serves to strengthen the legal and practical framework of approaches based on environmental indicators in financing. At the same time, existing scientific research indicates that there is still a lack of in-depth empirical studies in this area within Uzbekistan. D. Madrakhimov has highlighted the institutional challenges and regional inequalities arising in the implementation of green financing.

Scientific research focused on developing environmental taxes and other "green" financial instruments is being conducted in Uzbekistan. Uzbek scholar N. Khusanov, in his research, studied the important aspects of increasing "green" budget revenues in the country. Khusanov emphasizes that by shaping a "green" fiscal policy in Uzbekistan, significant results can be achieved in financing environmental projects and protecting the environment. According to Khusanov, the effective management of environmental taxes and payments not only increases budget revenues but also has a positive impact on economic stability.

As our country transitions toward a green economy, the necessity of utilizing green financial instruments, implementing energy-saving technologies, and developing renewable energy sources is reinforced by several legislative acts. These include Resolution of the President No. PP-4477 dated October 4, 2019, "On Approval of the Strategy for the Transition of the Republic of Uzbekistan to a 'Green' Economy for the Period 2019–2030," Decree of the President No. UP-220 dated September 9, 2022, "On Additional Measures for the Introduction of Energy-Saving Technologies and the Development of Small-Capacity Renewable Energy Sources," Decree of the President No. UP-67 dated May 8, 2023, "On Priority Measures for the Implementation of the New Edition of the Constitution of the Republic of Uzbekistan," and Resolution of the President No. PP-156 dated May 12, 2023, "On Measures to Introduce the 'Green Energy' Certificates System." Furthermore, to improve "green financing" mechanisms and expand the introduction of "green energy" certificates, the process is strengthened by the Cabinet of Ministers Resolution No. 515 dated September 29, 2023, "On Measures to Expand the Introduction of 'Green Energy' Certificates and Improve 'Green Financing' Mechanisms," along with other relevant legal documents.

The foundations for forming the concept of a "green" economy were established in the late 1980s within the framework of the sustainable development concept. While many definitions of sustainable development exist, the most widespread and globally accepted definition was proposed by the UN Commission in 1987: "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs".

The relevance and necessity of transitioning to a "green economy" are determined by the following factors:

- The necessity of implementing technological modernization in the economy to mitigate the negative consequences of environmental pollution and the depletion of natural resources;
- Increasing economic competitiveness by reducing dependence on hydrocarbon raw materials and their share in the final product value;
- The application of green innovations that enable the renewal of high-tech sectors with significant multiplicative effects;
- Reducing hydrocarbon dependence during the transition to a low-carbon economy [1].

The factors that led to the emergence of the green economy include:

1. Climate Change: At the beginning of the 21st century, the serious consequences of global climate change became clearly evident, necessitating new approaches to solving environmental issues.

2. Energy Crises: Oil crises and the limited nature of energy resources created a need for new energy sources in the global economy. Focus shifted toward green energy—renewable sources such as solar, wind, and biogas.

3. International Initiatives: Global conferences, such as the 1992 "Earth Summit" in Rio de Janeiro, encouraged environmentally sustainable development, leading governments, entrepreneurs, and non-profit organizations to support green economic activities [2].

In our country, great attention is being paid to developing entrepreneurial entities through green financing as a means of achieving sustainable development goals.

The process of transitioning to a green economy is being implemented step-by-step through the introduction of solar and wind energy projects, waste recycling systems, and water-saving technologies. Green financing is one of the most important tools for achieving sustainable development on a global scale and is being actively developed by various countries, international financial institutions, and the private sector.

The main activities carried out in this direction include the following:

Expansion of the Green Bond Market: In recent years, green bonds worth trillions of US dollars have been issued worldwide. Major institutions such as the World Bank, the European Investment Bank, and the Asian Development Bank are allocating funds to finance environmental projects. The Green Climate Fund (GCF), established by the UN, is assisting developing nations in adapting to climate change. UNEP (UN Environment Programme) is actively involved in promoting a green financial system. Under the Paris Climate Agreement, many countries have pledged to develop a green economy.

At COP climate summits, green financing is discussed annually as one of the primary themes.

The COP (Conference of the Parties) summit is an annual international climate conference held under the auspices of the UN, where 198 member states agree on measures to directly address global warming and combat climate change. Since 1994, these conferences have led to the adoption of critical documents such as the Paris Agreement.

Key Aspects of the COP Summit:

- Greenhouse Gas Mitigation: Taking on the burden of limiting global temperature rise to specific levels.
- Monitoring Agreements: Reviewing and monitoring climate stability commitments among nations.
- Financial Support: Mobilizing funds from developed countries to provide green technologies to developing nations.

The United Nations International Climate Summit — COP28 — was held in Dubai in December 2023. Over 70,000 delegates from more than 190 countries, including heads of government, scientists, and other experts, participated to analyze humanity's progress toward achieving the goals of the Paris Agreement.

At the High-Level Segment of the World Climate Action Summit, the head of our state, Shavkat Mirziyoyev, participated with a national statement regarding the improvement of the ecological situation in our region in the context of climate change.

Ushbu matnning ingliz tilidagi akademik tarjimasi:

Central Asia is witnessing historical losses due to the Aral Sea tragedy as a negative consequence of climate change. Its impact on the region's environment, public health, and other factors is evident. Specifically, information was provided regarding ecological risks—not only for Central Asia but for the entire world—noting that the increase in air temperature has doubled the global average, the number of extreme heat days has increased twofold, and one-third of the glacier area has disappeared.

The "Uzbekistan-2030" Strategy also aims for a transition to a "green" economy and the large-scale, convenient introduction of renewable energy sources—the foundation of this transition—into the lives of our people. Specifically, it is planned to increase renewable energy capacity to 25,000 megawatts and raise its share in total consumption to 40 percent.

Currently, work is being accelerated on the construction of 9 GW solar and 5 GW wind power plants based on public-private partnerships, as well as 28 hydroelectric power plants with a total capacity of nearly 2 GW.

Due to the widespread implementation of wind power plants and small hydroelectric stations, billions of cubic meters of natural gas are being saved in our republic. Since the beginning of the year, 3 million kilowatt-hours of electricity have been produced through solar photovoltaic stations. As a result, 613,000 cubic meters of natural gas were saved, and the emission of 1,500 tons of carbon monoxide (greenhouse gases) was prevented.

Furthermore, by 2030, the country aims to ensure the transition to a "green" economy and achieve "green" growth, reducing specific greenhouse gas emissions per unit of GDP by 35 percent compared to 2010 levels.

Ushbu matnning ingliz tilidagi akademik tarjimasi:

At the COP29 climate summit held in Baku, the primary goal was set to provide $300 billion annually to assist developing countries in their fight against the consequences of climate change.

The main themes of the climate conference included:

- Phasing out fossil fuels;
- Climate financing;
- Renewable energy;
- Nature and forests.

The plan envisions allocating at least $300 billion per year until 2035, which is three times higher than the previously established goal of $100 billion.

Participating nations at the summit agreed to establish a new financial direction for climate action — the Baku Finance Goal. This mechanism aims to mobilize $1.3 trillion annually by 2035 to support climate projects in developing countries.

At COP29, financing was treated as a top-priority issue. UN Secretary-General António Guterres emphasized that developing countries — burdened by debt, suffering from natural disasters, and lagging behind in the renewable energy revolution — are in dire need of funds.

The 30th UN Climate Change Conference, COP30, was held in Belém, Brazil, in November 2025. The main objective of the conference was the restoration of the Amazon rainforest, with a focus on updating greenhouse gas targets to mark the 10th anniversary of the Paris Agreement, protecting ecosystems, and increasing climate financing for developing countries to one trillion dollars. When the agreement was signed, nearly 200 countries agreed to limit the Earth's temperature rise to 1.5°C above pre-industrial levels and, under no circumstances, allow it to reach 2°C. It was recognized that a 2°C difference in warming could lead to catastrophic consequences — unprecedented natural disasters, mass migration, and poverty.

At COP29, wealthy nations were mandated to provide at least $300 billion annually to developing countries by 2035. Brazil developed a "roadmap" to increase this funding to $1.3 trillion through a combination of public and private sources.

The COP31 annual UN climate summit will take place in 2026 in Turkey. Given that two countries applied to host the summit and neither withdrew their bid, the leadership decided to hold the conference in Antalya, while granting the presidency to Australia. Both nations have exactly one year to prepare for the event.

It is noted that Australia presented its application as a "Pacific Partnership" in collaboration with island nations, emphasizing their high vulnerability to climate change and rising sea levels. Hoping to secure the support of many countries for the summit's preparations, Australia has already allocated approximately $4.5 million.

Turkey, as the host of COP31, stated its intention to foster solidarity between developed and developing nations by making the event more inclusive, rather than maintaining a limited regional format.

CONCLUSION

In conclusion, the United Nations Climate Change Conference (COP) summits play a vital role on a global scale in combating climate change, ensuring sustainable development, and transitioning all sectors of the economy toward an environmentally sustainable path. The decisions and agreements adopted within the framework of these summits serve to expand green financing mechanisms for the activities of entrepreneurial entities, implement environmentally friendly technologies, and increase investment flows.

Furthermore, as a result of COP summits, cooperation between states, international financial institutions, and the private sector is being strengthened, leading to the formation of new financial instruments and institutional mechanisms to encourage green investments. This, in turn, enables entrepreneurial entities to increase energy efficiency, utilize renewable energy sources, and establish environmentally sustainable production processes.

Ultimately, the initiatives and financial mechanisms developed within the COP summits serve not only to address global climate issues but also to enhance the competitiveness of national economies, accelerate the process of transitioning to a green economy, and ensure sustainable economic growth.

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