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DEBT POLICY IN THE CONDITIONS OF GREEN RECOVERY

The relevance of the topic is due to the transition to a green economy in the context of modern global challenges, which requires significant financial resources, which create additional pressure on the fiscal system of states. At the same time, public debt management in this period requires revision of traditional approaches to ensure macroeconomic stability. Ukraine, which is in the process of recovery after large-scale destructive events, in particular war, faces the challenge of combining the financing of green initiatives with the support of fiscal sustainability.

The purpose of the study is to analyze the relationship between fiscal risks and public debt management in the context of green recovery. The object of the research is public debt policy in the context of environmentally oriented reforms and its impact on financial stability.

The research uses the methods of comparative analysis, system approach and economic-mathematical modeling to assess fiscal risks. The theoretical basis is works on public debt management, as well as modern research in the field of green economy and finance.

The obtained results demonstrate that the main challenges for Ukraine are [2; 4–6]:

- growing budget deficit due to the need to finance large-scale rehabilitation projects;
- increase in the cost of debt service due to an increase in the share of external borrowings;
- risks of lack of income due to economic instability and dependence on international aid.

To address these risks, it is important to assess the potential implications for long-term budget sustainability. The development of mechanisms for assessing the impact of green projects on the financial state of the state is particularly relevant.

The green economy opens up new opportunities for attracting financing, in particular through green bonds and partnerships with international organizations. Ukraine has already taken the first steps in this direction, but further institutional development is needed to ensure transparency and

efficiency. For example, the development of the green bond market can become an important source of financing for energy efficiency and renewable energy projects.

In addition, it is important to use international experience. The governments of countries such as Germany and Sweden actively use green financial instruments to support environmental initiatives [2]. This experience can be adapted in Ukraine, considering its specific conditions.

For the effective management of the public debt, it is proposed to adapt the debt strategy through [1; 3; 5]:

- implementation of hedging tools to minimize currency risks;
- optimization of the debt structure due to an increase in the share of domestic borrowing;
- use of debt restructuring mechanisms to reduce the debt burden.

Special attention should be paid to improving the forecasting of debt obligations in the medium and long term. This will avoid default situations and reduce risks to economic stability.

One of the key aspects is the creation of a regulatory and legal framework that will facilitate the involvement of private capital in green initiatives. For this it is necessary [2; 3]: develop standardized approaches to assessing the environmental impact of projects; introduce tax benefits for investors in green projects; to ensure transparency in the use of the funds involved.

Thus, an effective debt policy in the context of a green recovery should be based on a balancing act between financing environmental initiatives and ensuring fiscal stability. The results of the study can be used to form a national debt management strategy and develop recommendations for optimizing budget policy in the context of a green recovery. Successful implementation of the proposed measures will reduce debt pressure, support economic growth and promote environmentally sustainable development.

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