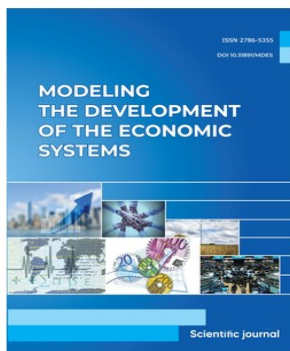


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ТЕОРЕТИКО-МЕТОДОЛОГІЧНІ ЗАСАДИ ТА ЯКІСНІ ХАРАКТЕРИСТИКИ АДАПТАЦІЇ Й РЕЗИЛЬЄНТНОСТІ ЕКОНОМІКИ УКРАЇНИ В УМОВАХ ВОЄННИХ ШОКІВ ТА НЕВИЗНАЧЕНОСТІ

Ірина НЕДОБОР

199-208



ПІДПРИЄМНИЦТВО ЯК ДОМІНУЮЧИЙ ВЕКТОР РОЗВИТКУ ТА ПІДВИЩЕННЯ КОНКУРЕНТОСПРОМОЖНОСТІ СФЕРИ ГОСТИННОСТІ

Ілона ПІЮРЕНКО

209-216



ТАКСОНОМІЯ СТАЛИХ ВИДІВ ЕКОНОМІЧНОЇ ДІЯЛЬНОСТІ ЯК ІНСТИТУЦІЙНА ОСНОВА РОЗВИТКУ ЗЕЛЕНОГО ФІНАНСУВАННЯ В УКРАЇНІ

Анжеліка КРУТОВА

217-226



ПРОСТОРОВА АСИМЕТРІЯ РОЗВИТКУ РИНКІВ ПРОДУКЦІЇ ТА ВИРОБНИЧИХ РЕСУРСІВ ТВАРИННИЦТВА В СУМСЬКІЙ ОБЛАСТІ

Володимир ОРЕЛ, Олександр КОРНІЄЦЬКИЙ, Олена СМІГУНОВА

227-237



МАРКЕТИНГОВА СТРАТЕГІЯ КОМЕРЦІАЛІЗАЦІЇ ІННОВАЦІЙНОЇ ТЕХНОЛОГІЇ: «АВТОМАТИЗОВАНА СИСТЕМА МОНІТОРИНГУ І НАКАЧУВАННЯ ШИН ТРАНСПОРТНИХ ЗАСОБІВ»

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THE TAXONOMY OF SUSTAINABLE ECONOMIC ACTIVITIES AS AN INSTITUTIONAL FRAMEWORK FOR GREEN FINANCE DEVELOPMENT IN UKRAINE

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The article examines the theoretical and practical foundations of green finance development in Ukraine in the context of financial system transformation and the growing need to mobilize resources for sustainable and post-war economic recovery. It is substantiated that the taxonomy of sustainable economic activities represents one of the key institutional mechanisms for the formation of a modern green finance system, as it provides standardized criteria for identifying environmentally sustainable economic activities and enhances transparency in financial markets. The purpose of the study is to improve the theoretical and methodological foundations of green finance by determining the role of the taxonomy in transforming the environmental characteristics of investment projects into financial decisions and by developing a conceptual model for the differentiated selection of green finance instruments in Ukraine.

The study systematizes the major green finance instruments, including green bonds, green loans, sustainability-linked loans and bonds, blended finance mechanisms, guarantee instruments provided by governments and international financial institutions, green leasing, investment funds, and other capital mobilization mechanisms. Their functional purpose, advantages, limitations, and potential application in the Ukrainian context are identified. Based on the synthesis of scientific approaches and contemporary sustainable finance practices, the article proposes an author's conceptual model illustrating the role of the taxonomy in connecting sustainable economic activities with financial markets. The model demonstrates how taxonomy-based criteria help reduce information asymmetry, increase transparency, strengthen investor confidence, and facilitate the mobilization of financial resources through various green finance instruments.

The scientific novelty of the research lies in improving the understanding of the taxonomy of sustainable economic activities as an institutional foundation for the development of green finance. Unlike approaches that primarily consider the taxonomy as a classification and disclosure tool, the proposed framework highlights its role in supporting capital allocation toward environmentally sustainable projects and enhancing the effectiveness of green finance instruments. The study also provides a comparative assessment of major green finance instruments based on their environmental effectiveness, capital mobilization potential, transparency, alignment with the taxonomy, and relevance to Ukraine's sustainable recovery.

The practical significance of the research lies in the possibility of using the proposed conceptual framework and comparative assessment by policymakers, financial institutions, investors, international organizations, and businesses when designing and evaluating green investment projects. The findings support the development of a taxonomy-based sustainable finance system capable of mobilizing private and international capital for Ukraine's green transition and post-war reconstruction.

Keywords: green finance, sustainable development, green financial instruments, taxonomy of sustainable economic activities, Ukraine's recovery.

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PROBLEM STATEMENT AND ITS RELATIONSHIP WITH IMPORTANT SCIENTIFIC AND PRACTICAL TASKS

A gradual increase in the role of environmental and climate factors in investment and financial decision-making characterizes the current transformation of the global financial system. The concept of green finance involves directing financial resources toward economic activities that advance environmental goals, improve energy efficiency, reduce greenhouse gas emissions, develop renewable energy and sustainable infrastructure, and promote the rational use of natural resources. Under these circumstances, the financial sector becomes not only a mechanism for the redistribution of capital but also an important tool for the economy's structural transformation.

For Ukraine, the development of green finance takes on particular significance given the massive needs for economic recovery and modernization. According to estimates by the World Bank, the European Commission, the United Nations, and the Government of Ukraine, based on the results of the fifth Rapid Damage and Needs Assessment (RDNA5), Ukraine's recovery and reconstruction needs for 2026–2035 amount to \$587.7 billion, which is nearly three times Ukraine's projected GDP in 2025 [1]. However, the scale of the necessary investments far exceeds the capacity of public financing alone, necessitating the mobilization of domestic and international private resources. The OECD emphasizes that the development of financial markets and the ability to attract private capital are key conditions for Ukraine's long-term recovery [2].

At the international level, the most advanced example of sustainable finance regulation is the European Union's Taxonomy, established by Regulation (EU) 2020/852 [3]. The OECD notes that "Ukraine is aligning its sustainable finance and disclosure framework with the EU acquis" [OECD, 2026], indicating Ukraine's gradual integration into the European sustainable finance system and laying the groundwork for the implementation of a national taxonomy of sustainable economic activities [1].

For Ukraine, adapting these principles is of strategic importance in the context of European integration and the creation of a financial space compatible with the EU. The National Bank of Ukraine is consistently developing a regulatory framework for sustainable finance to integrate ESG factors and account for environmental and social risks in financial institutions' activities [4].

Ukraine's recovery must take into account not only the volume of capital raised but also the quality of investments. Key priorities include ensuring the environmental sustainability of reconstruction, modernizing infrastructure, improving energy efficiency, adapting the economy to climate change, and reducing environmental risks. The OECD notes that Ukraine's recovery presents an opportunity to modernize infrastructure in line with climate resilience objectives and European Union sustainability standards, laying the foundations for long-term sustainable development and investment attractiveness [1].

One of the key institutional tools for addressing this challenge is the taxonomy of sustainable economic activities. The taxonomy establishes a unified approach to determining which types of economic activities are environmentally sustainable, thereby reducing information asymmetry among investors, financial institutions, and capital recipients. The existence of transparent classification criteria is also crucial for preventing "greenwashing" – the practice of positioning financial products or investment projects as environmentally sustainable without sufficient justification. These principles form the basis of the European Union Taxonomy established under Regulation (EU) 2020/852, which provides a common classification framework for sustainable economic activities and facilitates the redirection of capital toward environmentally sustainable investments [3].

The development of a national regulatory framework for the taxonomy of sustainable economic activity in Ukraine further enhances this study's relevance. The creation of a unified classification system has the potential to increase the transparency of the sustainable investment market, facilitate the identification of environmentally oriented projects, and establish more predictable conditions for banks, institutional investors, businesses, and international financial organizations.

Despite significant progress in the development of sustainable finance, a theoretical and practical challenge remains in determining how the taxonomy influences the volume and structure of financial resources directed toward sustainable investments. In particular, there has been insufficient research into how regulatory classifications of economic activities translate into specific financial decisions by banks, investors, and securities issuers. Therefore, studying the taxonomy's institutional role is important from both theoretical and applied perspectives.

ANALYSIS OF RESEARCH AND PUBLICATIONS

The issue of Green Finance has gained significant attention in international academic literature in recent years. The current stage of research is characterized by a shift from viewing green finance primarily as a set of financial instruments toward a comprehensive analysis of its economic, institutional, and regulatory determinants. Particular attention is devoted to the development of the regulatory infrastructure for sustainable finance, the functioning of green taxonomies, the prevention of greenwashing, the impact of green finance on the financial sector and the real economy, and its role in decarbonization.

An important area of contemporary research concerns identifying the factors that determine the development of green finance. D. Grechyna and P. E. Ofori examine the potential and persistent determinants of green finance using data from 93 developing countries covering the period 2000–2020. The authors employ a broad range of econometric and machine-learning techniques, including Bayesian Model Averaging, LASSO, Elastic Net, Weighted Least Squares, Random Forest, and Gradient Boosting. Their findings indicate that the most robust predictors of green finance development include globalization, GDP per capita, trade openness, multilateral financial flows, climate vulnerability, government effectiveness, and the rule of law. These results confirm that the development of green finance depends not only on the availability of financial capital but also on the quality of the institutional environment [5]. L. Mjadu provides a comparative analysis of the legal architecture of green finance taxonomies in both developed and developing countries and emphasizes the necessity of aligning taxonomy criteria with national legal systems and institutional conditions [6].

Considerable attention in the recent literature has also been devoted to the practical impact of the EU Taxonomy on financial decision-making. In particular, Z. Sautner, J. Yu, R. Zhong, and X. Zhou investigate the relationship between the alignment of economic activities with the EU Taxonomy and the conditions of syndicated loans. Using international syndicated lending market data, the authors find that firms with a higher share of taxonomy-aligned revenues historically benefited from lower loan interest rates. The study therefore demonstrates the taxonomy's potential to directly influence the cost of debt financing and capital allocation decisions [7]. At the same time, contemporary research demonstrates that the effects of green finance extend beyond the financial sector, influencing corporate performance and technological modernization. Recent studies explore the relationship between green finance, green innovation, enterprise productivity, and environmental outcomes. A. Ghoshal, K. C. Das, and G. Jain (2026) systematize the existing literature on green finance and green innovation, identify the main thematic areas of research, and outline promising directions for future studies. Their findings highlight the growing importance of integrating financial, technological, institutional, and environmental perspectives in the analysis of sustainable development and green transformation processes [8].

At the same time, the impact of green finance extends beyond the financial sector. A substantial body of academic literature examines its effects on green innovation, firm productivity, and the environmental performance of economic activities. In particular, the study by Wang, Luo, and Wang (2026) focuses on the impact of green financial innovation on firms' green total factor productivity. The authors employ a quasi-experimental approach, enabling them to assess not only the correlation but also the causal effects of the relevant financial policy. This approach highlights the potential of green finance to drive structural transformation in the real sector of the economy. [9]. A similar research direction is represented by the study of Lyu, Bai, Zhang, and Chen (2026), which examines the impact of green finance policies on corporate green innovation. By employing a quasi-experimental research design, the authors investigate the causal relationship between financial policy and firms' innovation activities. The findings provide important evidence that green finance serves not only as a mechanism for financing existing environmentally friendly projects but also as a powerful driver of technological modernization and innovation within enterprises. [10].

In Ukrainian academic literature, the issue of green finance has gained particular relevance in recent years due to the need to ensure sustainable development, support European integration, and finance Ukraine's economic recovery. Unlike international studies, which often focus on the quantitative assessment of the impact of green finance on economic and environmental performance, Ukrainian researchers primarily concentrate on the formation of an institutional framework, the development of sustainable finance instruments, and the possibilities of their application in post-war reconstruction.

One of the key directions of Ukrainian research is the conceptualization of green finance as an integral component of the sustainable development financial system. Lutsiv B., Maiorova T., and Lutsiv P. examine green finance within the paradigm of sustainable investment development of Ukraine's economy [11]. The authors emphasize the necessity of expanding sources of financing for environmentally oriented investments and developing appropriate financial instruments. S. Naumenkova and S. Mishchenko examine innovative green finance instruments for Ukraine [12]. They stated that the limited capacity of public financing for environmental projects, particularly due to the high level of public debt, demands the diversification of financial resource sources. M. Zhytar also highlights the need to transform banking operations in accordance with environmental and social considerations and views banks as key mechanisms for reallocating capital toward environmentally sustainable economic activities and supporting the transition to a low-carbon economy [13].

The issue of green finance in the context of Ukraine's post-war recovery is addressed in the studies of O. Varchenko, O. Drahan, and K. Tkachenko, who analyze the organizational and financial aspects of applying green finance instruments to economic reconstruction and emphasize the necessity of aligning recovery processes with the principles of environmental sustainability and energy transition [14]. A closely related aspects of green finance as an important source of sustainable development were examined by O. Shevchenko, who systematizes the main green finance instruments, including green bonds, green loans, green equity financing, and green investment funds. Particular attention is devoted to the prospects of using green bonds in Ukraine to finance post-war recovery. [15]. The current stage of Ukrainian research is characterized by a gradual shift from a general analysis of green finance toward the examination of specific financial instruments and European regulatory mechanisms. In particular, Shubenko I. A. and Kurovska N. O. analyze the opportunities for the application of green bonds and other sustainable finance instruments in Ukraine's post-war recovery financing [16].

UNRESEARCHED PARTS OF THE PROBLEM STATEMENT

The literature review demonstrates that, despite the growing body of research, Ukrainian academic literature still fails to provide a sufficiently comprehensive analysis of the relationship between the taxonomy of sustainable economic activities and the functioning of green finance mechanisms. Most studies focus either on the characteristics of specific financial instruments or on broader issues of sustainable development and economic recovery. At the same time, insufficient attention has been paid to integrating taxonomy criteria into financial decision-making processes by banks, investors, and enterprises.

This issue is particularly relevant in the context of Ukraine's recovery, as the substantial volume of investment capital required for reconstruction necessitates establishing a transparent mechanism to identify projects that comply with sustainable development principles. In this regard, the taxonomy can serve as a "bridge" between the environmental characteristics of economic activities and financial markets by providing standardized information, enhancing transparency, and reducing information asymmetry between capital providers and capital recipients.

Therefore, further development of academic research requires a shift from the analysis of individual green finance instruments to a systemic examination of the institutional mechanisms underlying green finance, with the taxonomy of sustainable economic activities playing a central role. This provides the theoretical foundation for exploring the potential of taxonomy as a tool to mobilize private and international capital to support the sustainable recovery and long-term development of Ukraine's economy.

OBJECTIVE FORMULATION

In light of the above, the purpose of this study is to examine the role of the taxonomy of sustainable economic activities as a key institutional mechanism for the development of green finance in Ukraine, to analyze its contribution to improving transparency and reducing information asymmetry in sustainable investment processes, and to formulate recommendations for its effective implementation in the context of Ukraine's post-war recovery and European integration.

RESEARCH MATERIAL PRESENTATION

The EU Taxonomy was formally established by Regulation (EU) 2020/852, which establishes a framework to facilitate sustainable investment. The regulation constitutes a central component of the European Green Deal and the broader Sustainable Finance Action Plan. Its primary objective is to create a unified classification system that enables investors and financial market participants to identify economic activities that contribute to environmental sustainability and climate objectives.

A distinctive feature of the EU Taxonomy is its science-based approach to sustainability assessment. The framework identifies six environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. For an economic activity to be considered taxonomy-aligned, it must satisfy four fundamental requirements. First, it must make a substantial contribution to at least one environmental objective. Second, it must comply with the "Do No Significant Harm" principle, meaning it should not adversely affect any other environmental objectives. Third, it must adhere to minimum social safeguards related to human rights, labor standards, and responsible business conduct. Fourth, it must meet detailed technical screening criteria established by the European Commission.

An important function of the EU Taxonomy is combating greenwashing. Before the introduction of taxonomy-based regulation, many financial products were marketed as environmentally friendly without objective verification of their sustainability characteristics. The taxonomy addresses this problem by providing measurable and verifiable criteria that enable regulators, investors, and stakeholders to assess whether economic activities genuinely contribute to environmental objectives. As a result, the credibility and integrity of sustainable finance markets are significantly enhanced.

The practical influence of the EU Taxonomy extends beyond disclosure requirements. Research indicates that taxonomy alignment increasingly affects investment allocation, corporate financing conditions, and access to capital markets. Companies demonstrating a higher degree of alignment with taxonomy criteria are often perceived as less exposed to environmental and transition risks, which may improve their attractiveness to investors and financial institutions. In this way, the taxonomy contributes not only to environmental objectives but also to the more efficient allocation of financial resources within the economy.

Rizzato, F., S. Fiandrino, A. Tonelli, and G. La Barbera note that the impact of compliance with the EU Taxonomy is uneven and depends on sector-specific factors: despite a positive overall correlation between the level of compliance with the criteria and access to cheaper debt financing, most non-financial companies currently align only a limited proportion of their economic activities with the Taxonomy's requirements, and businesses' main focus remains predominantly on climate change mitigation, whilst progress on other environmental objectives (adaptation, water resources, the circular economy) remains significantly more modest [17]. The authors also emphasize that the 'taxonomy compliance premium' effect on securities' returns only began to manifest itself clearly from 2020 – immediately following the first publication of the EU Taxonomy, which indicates a gradual, rather than immediate, response by financial markets to regulatory changes and a growing focus by investors on this indicator over time.

The global significance of the EU Taxonomy is reflected in its growing influence on sustainable finance frameworks outside the European Union. Numerous countries and international organizations are developing national or regional taxonomies based on similar principles, while adapting them to local economic and institutional conditions. Consequently, the EU Taxonomy has evolved from a regional regulatory initiative into an international benchmark for sustainable finance regulation and environmental investment classification.

For Ukraine, the EU Taxonomy is particularly important in the context of European integration and post-war reconstruction. Alignment with European sustainable finance standards can facilitate access to international financial resources, increase investor confidence, and support the implementation of environmentally sustainable reconstruction projects. Moreover, the adoption of taxonomy-based approaches may help harmonize Ukraine's financial regulatory framework with EU requirements, thereby strengthening the country's integration into the European financial and economic space.

Practical steps towards the adoption of the EU Taxonomy in Ukraine have already received institutional support at the state level. For instance, Andrii Telyupa, Deputy Minister of Economy of Ukraine, whilst outlining the strategic prerequisites for implementing the EU Taxonomy, emphasized its importance for the country's European integration, noting the need to harmonize Ukrainian and EU legislation on the path to European integration – as the taxonomy forms part of the European Green Deal, it is subject to mandatory implementation. According to him, the Taxonomy provides clear, transparent criteria for attracting green finance, which is particularly important for Ukrainian businesses given their limited access to capital [18]. Yuliya Ananieva demonstrates that environmental, social, and governance (ESG) factors are not only non-financial characteristics of business entities' activities but also important determinants of credit, investment, reputational, and systemic risks, which significantly impact the financial performance of banks and financial institutions [19]. Representatives of the banking sector also confirm the growing focus of financial institutions on implementing ESG principles and sustainable finance in their operations, noting that banks cannot remain outside the scope of the EU regulatory framework and future national regulations, including the introduction of the taxonomy of sustainable activities.

The development of green finance in Ukraine is unfolding amid economic transformation, European integration, and the unprecedented challenges of the country's post-war recovery. In recent years, sustainable finance has gradually emerged as an important component of Ukraine's financial policy, reflecting global trends toward environmental sustainability, climate resilience, and responsible investment. At the same time, the domestic green finance market remains in its early stages of development and continues to face significant institutional, regulatory, and financial challenges.

One of the key factors driving the growing relevance of green finance in Ukraine is the substantial need for investment in sustainable reconstruction and modernization. According to the Fourth Rapid Damage and Needs Assessment (RDNA4) prepared by the World Bank, the European Commission, the United Nations, and the Government of Ukraine, the country's recovery and reconstruction needs for the period 2026–2035 are estimated at approximately USD 587.7 billion. Such a scale of financing requirements significantly exceeds the capacity of public budgets and international aid alone, highlighting the importance of mobilizing private and institutional capital. Consequently, green finance is increasingly viewed as a mechanism for attracting long-term investment into environmentally sustainable projects and infrastructure.

The institutional foundations for sustainable finance in Ukraine have been gradually strengthened in recent years. The National Bank of Ukraine (NBU) and the National Securities and Stock Market Commission (NSSMC) have initiated several measures to integrate environmental, social, and governance (ESG) considerations into financial regulation. In particular, the NBU has incorporated sustainability principles into its strategic policy framework and has emphasized the importance of climate-related and environmental risk management within the banking sector. These initiatives reflect broader international

trends in sustainable finance regulation and demonstrate Ukraine's commitment to aligning its financial system with European standards.

An important milestone in the development of green finance has been the establishment of a regulatory framework for green bonds. Ukraine adopted legislative provisions enabling the issuance of green bonds and introduced requirements concerning the use of proceeds, project eligibility, and disclosure standards. The regulatory approach largely reflects international principles developed by the International Capital Market Association (ICMA) and takes into account the evolving requirements of the European sustainable finance framework. Green bonds are considered a promising instrument for financing renewable energy, energy efficiency, sustainable transport, environmental protection, and climate adaptation projects.

Despite these developments, the practical implementation of green finance instruments remains relatively limited. The domestic market for green bonds is still in its formative stage, while green lending and other sustainable finance products have not yet achieved significant scale. Several factors contribute to this situation, including high economic uncertainty, elevated investment risks, underdeveloped capital markets, limited investor awareness, and the absence of a comprehensive national taxonomy of sustainable economic activities. As a result, financial institutions often face difficulties in assessing the environmental sustainability of projects and identifying eligible green investments.

The banking sector is gradually increasing its involvement in sustainable finance initiatives. Ukrainian banks have begun incorporating ESG considerations into lending policies and risk management practices, particularly in cooperation with international financial institutions such as the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the International Finance Corporation (IFC), and the World Bank Group. These institutions provide both financial resources and technical assistance to support sustainable investment projects and improve environmental risk assessment mechanisms.

An example of such cooperation was the agreements concluded by Ukrainian banks with international financial institutions at the Conference on the Reconstruction of Ukraine (Rome, July 2025). In particular, Ukrgasbank signed a guarantee agreement with the EBRD for €89.2 million, which will enable it to attract up to €300 million in new lending, and also signed three additional agreements with the European Investment Bank as part of a €600 million financial package, organised jointly with the European Commission, to support Ukraine's reconstruction, with a focus on energy, infrastructure and private sector development [20]. Particular attention has been paid within these agreements to supporting green investments – in line with Ukrgasbank's long-term strategy as the country's leading eco-bank. In addition, the bank has concluded a €100 million risk-sharing agreement with the International Finance Corporation (IFC) to increase lending to medium-sized and large businesses in the agricultural sector, manufacturing, energy, and logistics. Such mechanisms – portfolio guarantees, credit lines, and risk-sharing instruments – enable international financial institutions not only to provide capital directly but also to encourage Ukrainian banks to expand their lending to sustainable development projects.

The growing importance of sustainable finance is also linked to Ukraine's European integration agenda. The implementation of the Association Agreement between Ukraine and the European Union, as well as the country's candidate status for EU membership, creates strong incentives for harmonizing financial regulation with European sustainable finance standards. In this regard, the development of a national taxonomy aligned with the EU Taxonomy is increasingly viewed as a necessary step toward enhancing transparency, improving investor confidence, and facilitating access to international sustainable finance markets.

At the same time, several challenges continue to constrain the development of green finance in Ukraine. These include the absence of a fully developed sustainable finance ecosystem, insufficient availability of reliable environmental data, limited expertise in sustainability assessment, and the need for further institutional capacity building. Additionally, the ongoing reconstruction process requires balancing urgent economic recovery needs with long-term environmental and climate objectives.

Overall, the current state of green finance development in Ukraine is a transitional phase, marked by the gradual formation of regulatory institutions, financial instruments, and market practices. While significant progress has been made in establishing the foundations of sustainable finance, further development will depend on the successful implementation of taxonomy-based regulation, the expansion of sustainable financial products, the enhancement of ESG disclosure practices, and deeper integration with the European sustainable finance framework. These measures are expected to strengthen the role of green finance as a key source of investment for Ukraine's sustainable recovery and long-term economic development.

The taxonomy of sustainable economic activities plays a crucial role in mobilizing investment for Ukraine's recovery by establishing transparent, standardized criteria to identify environmentally sustainable projects. By reducing information asymmetry between investors, financial institutions, and project developers, the taxonomy increases confidence in green investments and facilitates the allocation of capital toward sustainable reconstruction initiatives.

For Ukraine, implementing a taxonomy aligned with European standards can improve access to international financial markets, attract private and institutional investors, and enhance the effectiveness of green financial instruments such as green bonds and sustainable loans. Moreover, the taxonomy can support integrating environmental considerations into investment decision-making, ensuring that recovery projects contribute not only to economic growth but also to climate resilience, energy efficiency, and long-term sustainability. In the context of post-war reconstruction, the taxonomy serves as an institutional mechanism linking financial resources to sustainable development objectives, thereby promoting transparent, responsible, and environmentally oriented investment activities.

The implementation of a sustainable finance taxonomy in Ukraine faces several challenges, including the absence of a comprehensive regulatory framework, limited availability of reliable ESG data, insufficient institutional capacity, and the need to harmonize national regulations with EU standards. Additional barriers include low awareness among market participants and the costs associated with adapting reporting and assessment systems.

At the same time, significant opportunities exist. The development of a national taxonomy aligned with the EU Taxonomy can enhance transparency, reduce the risk of greenwashing, attract international investment, and support Ukraine's European integration. In the context of post-war recovery, the taxonomy can serve as a key institutional tool to direct financial resources toward sustainable reconstruction and long-term economic development.

To illustrate the taxonomy's institutional role in the development of green finance, the author proposes a conceptual model (Figure 1). The model demonstrates the causal relationship between taxonomy-based regulation, investor confidence, capital mobilization through Green Finance instruments, and the achievement of sustainable recovery and green transformation objectives in Ukraine.

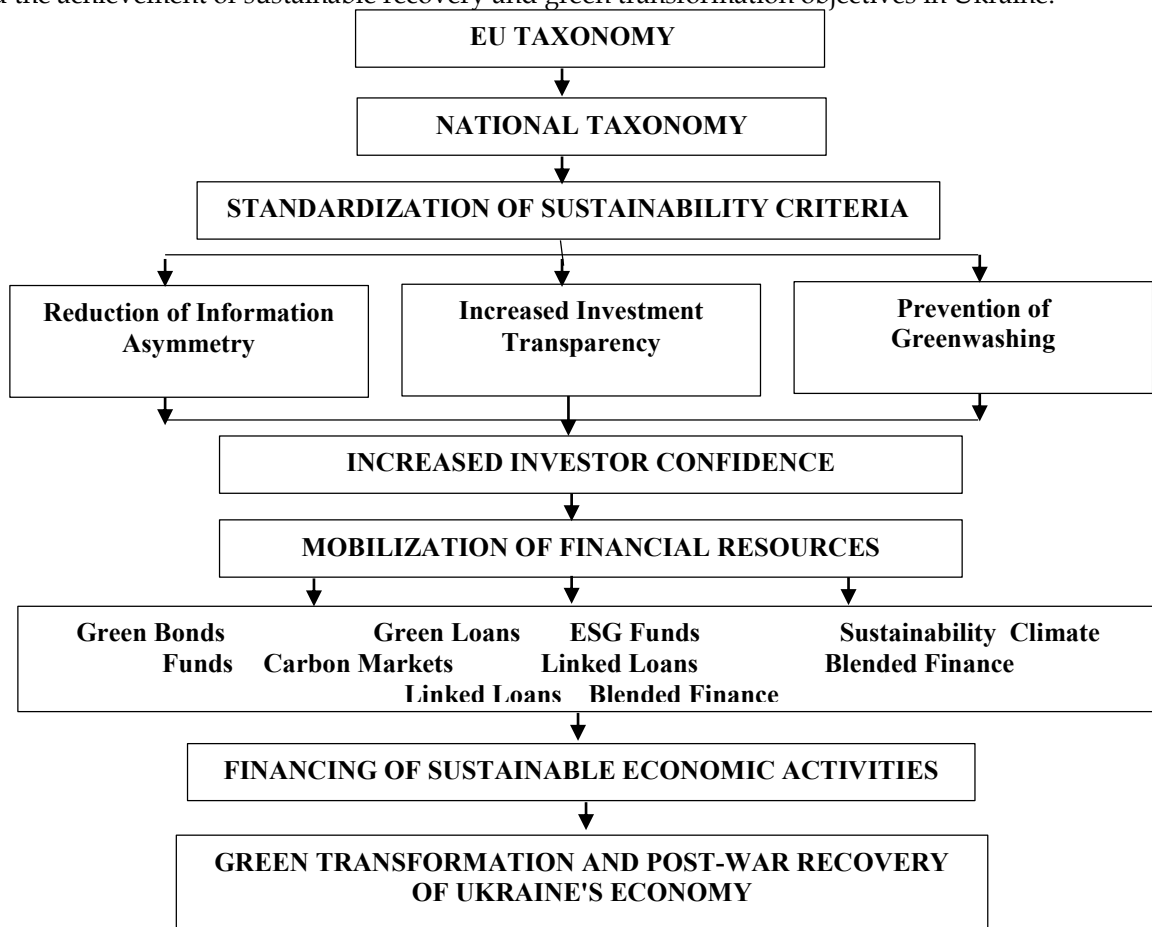


Fig. 1. Conceptual model of the role of sustainable economic activities taxonomy in the development of green finance in Ukraine

While the conceptual model illustrates the general mechanism through which the taxonomy supports the development of green finance, the practical implementation of this mechanism depends on the effectiveness of individual Green Finance instruments. To identify their relative strengths and limitations, the major instruments of green finance are compared against key criteria, including environmental effectiveness, capital mobilization potential, transparency, alignment with the taxonomy, and relevance to Ukraine's sustainable recovery. The results are presented in Table 1.

At the same time, it should be emphasized that the taxonomy itself is not a financial instrument. Rather, it creates the institutional and informational infrastructure that enhances the effectiveness of other instruments, including green loans, green bonds, sustainability-linked loans (SLLs), blended finance mechanisms, and related sustainable finance products. This approach is consistent with OECD recommendations emphasizing the importance of interoperability between taxonomies and sustainable bond standards, as well as reliable and comparable sustainability disclosures.

Table 1

Comparative Characteristics of Major Green Finance Instruments

Instrument	Primary Purpose	Environmental Effectiveness	Capital Mobilization Potential	Level of Transparency	Connection with Taxonomy	Prospects for Ukraine
Green Bonds	Financing environmentally sustainable projects	High	Very High	High	Direct – taxonomy determines eligible projects	Very High
Green Loans	Financing green investments and environmental modernization	High	High	Medium-High	Direct – taxonomy supports project eligibility assessment	High
Sustainability-Linked Loans (SLLs)	Incentivizing ESG performance through financing conditions	Medium-High	High	Medium	Indirect – taxonomy may support KPI development	High
ESG Funds and Green Investment Funds	Investment in sustainable companies and projects	High	High	High	Direct – taxonomy improves asset classification and reporting	High
Venture Capital and Private Equity	Financing green innovations and clean technologies	Medium-High	Medium	Medium	Indirect – taxonomy helps identify sustainable investments	Medium-High
Green Insurance	Risk mitigation for environmentally sustainable projects	Medium	Medium	Medium	Indirect – taxonomy supports risk assessment	Medium
Green Leasing	Financing acquisition of energy-efficient and low-carbon assets	Medium-High	Medium	Medium	Direct – taxonomy identifies eligible assets	High
Carbon Credits and Emissions Trading Systems (ETS)	Reducing greenhouse gas emissions through market incentives	Very High	Medium-High	High	Strong – taxonomy complements climate-related classifications	Medium-High
Blended Finance	Combining public and private capital for sustainable projects	High	Very High	Medium-High	Direct – taxonomy helps identify sustainable investment priorities	Very High
Climate Funds and International Sustainable Finance Programs	Supporting climate mitigation, adaptation, and sustainable recovery projects	Very High	High	High	Direct – funding decisions increasingly rely on taxonomy criteria	Very High

Source: Compiled by the author based on the systematization of contemporary Green Finance instruments.

The proposed conceptual model and comparative analysis of major Green Finance instruments enable identification of the institutional role of the sustainable finance taxonomy in directing financial flows toward environmentally sustainable economic activities. The findings suggest that the taxonomy should be viewed not merely as a classification framework but as a mechanism to enhance transparency, strengthen investor confidence, and improve the effectiveness of green financial instruments. In the context of Ukraine's post-war recovery, integrating taxonomy-based approaches into the financial system may contribute to more efficient capital allocation and support the achievement of sustainable development and green transition objectives.

CONCLUSIONS AND PROSPECTS FOR FURTHER RESEARCH

The study substantiates the role of the taxonomy of sustainable economic activities as a key institutional framework for the development of green finance in Ukraine. Unlike traditional approaches that focus primarily on individual financial instruments, the proposed conceptual model demonstrates that the taxonomy serves as a connecting mechanism between sustainable economic activities and financial markets by enhancing transparency, reducing information asymmetry, strengthening investor confidence, and mitigating greenwashing risks.

The research systematizes the major Green Finance instruments. It proposes their classification into six clusters: debt instruments, banking instruments, investment instruments, insurance and leasing instruments, market mechanisms, and sustainable development and recovery instruments. The comparative assessment indicates that green bonds, green loans, climate funds, blended finance mechanisms, and international sustainable finance programs have the greatest potential to mobilize capital to support Ukraine's sustainable recovery and green transition.

The findings suggest that implementing a taxonomy aligned with European standards can significantly improve the efficiency of capital allocation, facilitate access to international financial resources, and strengthen the institutional foundations of Ukraine's sustainable finance market. In the context of post-war reconstruction, the taxonomy should be regarded not only as a classification system but also as a strategic instrument to direct investment toward environmentally sustainable economic activities and to support the long-term transformation of the Ukrainian economy.

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ТАКСОНОМІЯ СТАЛИХ ВИДІВ ЕКОНОМІЧНОЇ ДІЯЛЬНОСТІ ЯК ІНСТИТУЦІЙНА ОСНОВА РОЗВИТКУ ЗЕЛЕНОГО ФІНАНСУВАННЯ В УКРАЇНІ

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У статті досліджено теоретичні та прикладні засади розвитку зеленого фінансування в Україні в умовах трансформації фінансової системи та необхідності забезпечення ресурсами процесів сталого й повоєнного відновлення економіки. Обґрунтовано, що одним із ключових інституційних механізмів формування сучасної системи зеленого фінансування є таксономія сталих видів економічної діяльності, яка забезпечує стандартизацію критеріїв ідентифікації екологічно сталих видів діяльності та створює передумови для підвищення прозорості фінансового ринку. Метою дослідження є удосконалення теоретико-методичних засад організації зеленого фінансування шляхом визначення ролі таксономії у трансформації екологічних характеристик інвестиційних проєктів у фінансові рішення та розроблення концептуальної моделі диференційованого вибору інструментів зеленого фінансування в Україні. У роботі систематизовано основні інструменти зеленого фінансування, зокрема зелені кредити, зелені облігації, пільгове кредитування, кредити та облігації, пов'язані зі сталим розвитком, механізми змішаного фінансування, гарантійні інструменти держави та міжнародних фінансових організацій, зелене лізингове фінансування, інвестиційні фонди та інші механізми мобілізації капіталу. Визначено їхнє функціональне призначення, переваги, обмеження та потенціал застосування в умовах України. На основі узагальнення наукових підходів і сучасної практики сталого фінансування запропоновано авторську модель трансформації таксономічної відповідності економічного проєкту в фінансове рішення. Особливістю запропонованого підходу є поєднання таксономічної оцінки, формування фінансового профілю проєкту, визначення рівня інвестиційного ризику та диференційованого вибору фінансового інструменту.

Наукова новизна дослідження полягає в удосконаленні підходу до визначення ролі таксономії сталих видів економічної діяльності у механізмі зеленого фінансування. На відміну від підходів, у яких таксономія розглядається переважно як інструмент класифікації економічної діяльності та розкриття нефінансової інформації, у запропонованій моделі вона визначається як інституційна основа формування стандартизованого фінансового профілю зеленого проєкту. Такий підхід дозволяє пов'язати екологічну відповідність проєкту з оцінюванням фінансового ризику, вибором оптимального джерела фінансування та механізмами залучення приватного капіталу. Обґрунтовано доцільність застосування диференційованого підходу до вибору фінансових інструментів залежно від масштабу проєкту, його капіталомісткості, рівня ризику, типу суб'єкта господарювання та ступеня таксономічної відповідності.

Ключові слова: зелене фінансування, сталий розвиток, зелені фінансові інструменти, таксономія сталих видів економічної діяльності, відновлення України.