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The Climate Policy of the Member States of the Eurasian Economic Union: Synchronizing with the Global Climate Change Agenda

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Abstract: The paper deals with the climate agenda in the Eurasian Economic Union. Particularly, it analyzes the current stage of implementation of green finance principles in the member states of the EAEU. In the article, the authors identify the key problems for the social and economic development of the member states in the context of the global environmental transformation and examine most relevant policy documents to address climate challenges. At present, all EAEU member states are committed to the Paris Agreement. They are developing framework for sustainable finance system at the national levels and made efforts to introduce green finance principles within the organization. However, for the most part, little progress has been made. The authors stress that different timelines and trajectories will hinder the EAEU to achieve carbon neutrality, so, in the first place, the issue of the contingency of national climate policies within the Union should be addressed.

Keywords: climate change, ESG, green financing, Eurasian Economic Union, Kazakhstan, Russia

1. Introduction

In 2022, the World Economic Forum (WEF) published the *Global Risks Report* that explores some of the most severe risks that mankind may face over the next decade. The WEF report ranks environmental risks in the top three of its ten major risks: "Climate action failure," "Extreme weather," and "Biodiversity loss." At the seventh and eighth places are "Human environmental damage" and "Natural resources crises" (World Economic Forum, 2022). That is, half of the main challenges are related to environmental degradation.

The emergence of serious environmental problems, according to almost an absolute majority of scientists around the world, is related to the energy sector, namely the increasing volume of greenhouse gas emissions (GHG) in the process of energy generation and consumption. These processes are irreversibly increasing the average temperature of the air and could have fatal consequences for the future of our civilization (Powell, 2017).

Although it is generally acknowledged that there is the need for drastic actions, political leaders around the world see differently the role of their states in this situation. The rationale for their positions is based on individual perceptions of the degree of responsibility that developed countries on the one hand and developing countries on the other should bear (Avdeeva, 2012). This subjective view on the problem makes it highly politicized and, at the present stage, underlies the fundamental contradiction between states, thus negatively affecting the pace and effectiveness of the global efforts.

In addition to conflicting national interests and priorities, an objective obstacle to the participation of the modern state in the fight against the global environmental crisis is the level of its social and economic development, and therefore the presence or absence of necessary resources (financial, infrastructure, intellectual, etc.), as well as functioning mechanisms and institutions (Selischeva et al., 2023).

The member states of the Eurasian Economic Union (EAEU), Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Russia are emerging economies. They account for 4% of the global GDP and 5.5% of the world's population as Figure 1 shows (ATIC., 2019). The territory of the EAEU is the world's largest economically integrated area of more than 20 million square kilometers. Moreover, the organization is the world's second largest economic association of the integration type after the European Union (EU) and is a large and growing market (Telegina & Khalova, 2017).

Ensuring sustainable economic growth is a priority for EAEU member states (Investment Policy Hub, 2014). The two key economies of the integration organization, Russia and Kazakhstan, have a raw material export development vector, which makes them the most sensitive to the development and implementation of national climate strategies compared to other EAEU member states – Armenia, Belarus, and Kyrgyzstan.

At the same time, all EAEU members are vulnerable to climate change and have to adapt to it. To this end, they consistently execute national climate strategies according to their economic capabilities and carry out joint activities at the level of the Eurasian Economic Union (Myasnikovich, 2021). It is important to note that the models of national economy created earlier, in the period of a more stable and

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Figure 1
The Eurasian Economic Union on the world map

predictable state of the climate system, by developed countries of the West are not flawless for the EAEU, as well as other developing countries of the world, especially in conditions of worsening not only environmental problems but also current geopolitical, primarily, energy and food crises. This circumstance should be borne in mind when explaining the peculiarities of the development of the economies in the Eurasian space.

These factors justify the relevance of the study and formulate its objective. Therefore, the authors address the challenges of implementation of the climate agenda in the EAEU member states and relevant strategic decisions taken at the national levels. In the paper, the following issues should be analyzed: firstly, the key risks to which the EAEU member states in the context of the global climate agenda are exposed; secondly, the national documents to counter climate challenges, while focusing on the promotion of green financing, and finally, the development a common climate strategy of the EAEU. As a result, the article seeks to contribute to the global debate on green finance principles, particularly, on how they are being formulated within the various international organization of regional economic integration.

2. Green Financing as a Mechanism for Addressing Climate Change

The first-ever legally binding international treaty uniting the world's states in their efforts to counteract the negative effects of climate change is the Paris Climate Agreement, adopted in 2015. According to the international document, the signatories are obliged to limit the growth of global warming by at least 2C compared to the pre-industrial level (Lesnikowski et al., 2017).

The Paris Agreement was accessed by 195 countries and the European Union. All its parties record their commitments in the Nationally Determined Contributions (NDC) and regularly report on their progress in adapting to climate change by publishing reports on the official platform of the UN Framework Convention on Climate Change (UNFCCC).

According to the report of the United Nations Development Programme (UNDP), in 2020, for about 50% of the global anthropogenic GHG accounted China, the USA, India, the EU, Indonesia, Russia and Brazil. At the same time, the United Nations Environmental Programme (UNEP) stresses that the commitments made by all parties to the Paris Agreement are not efficient enough. The current national climate plans still increase global greenhouse gas emissions by almost 11% by 2030, compared to 2010 levels, while they need to be reduced by 45% to keep global warming growth below 1.5C (United Nations Environmental Programme, 2022).

Most countries in the world take steps toward the green transition, spreading clean, and renewable energy technologies. Despite supply chain disruptions, investments in the global energy transition reached $1 trillion in 2022, up 31% year over year. They equaled the annual cost of fossil fuel production for the first time. The largest sectors of investment were renewable energy – $495.4 billion and electric transportation – $466.1 billion. However, despite that impressive results, global investment in low-carbon technologies remains not sufficient enough to counteract climate change (Zhiltsov, 2023).

One of the most important conditions for reducing GHG is the mobilization of green financing for projects with a positive impact on the environment. To promote this market, regulatory and incentive measures at the national and international levels are used. They let to identify the highest priority areas for investments, build investor trust, and stimulate initiators to implement green projects. At the global level, the Green Bond Principles pursue that goal. The principles are the world standard for green financing. Other globally used documents include the Climate Bonds Standard and the Climate Bonds Taxonomy drafted by the Climate Bonds Initiative (2022).

Among regional associations, the most ambitious measures in the green agenda are taken by the European Union. In 2019, the European Commission launched a comprehensive framework roadmap, the *European Green Deal*, which aims to make Europe a carbon-neutral space by 2050. The climate plan should be realized by reaching intermediate goals, such as reducing emissions by 55% by 2030 from 1990 levels, generating 32% of energy from renewable sources, and improving energy efficiency by at least 32.5% (European Commission, 2020).

One of the key instruments of the Green Deal is the European Emissions Trading System (EU ETS). The expansion of the scope of the EU ETS, as well as the step-by-step reduction of free quotas, will raise the price of emissions and encourage producers and consumers to switch to less carbon-intensive alternatives. If EU's trading partners use different climate regulations, this might cause the so-called "carbon leakage." The EU's Carbon Border Adjustment Mechanism (CBAM) is to address that risk. The CBAM will equalize the price of carbon embedded in imported goods with the emission payments by EU manufacturers. In particular, it will charge imports of steel, cement, fertilizers, aluminum, and electricity with a carbon tax, starting in 2026 (European Commission, n.d.).

The transition to low-carbon development requires not only encouraging emission reductions in carbon-intensive industries but also attracting green investment. The core of the green finance system is the green taxonomy. According to the EU taxonomy, an economic agent should make a significant contribution to one of the six environmental goals without harming the others and should also provide social guarantees. It should be also noted that initially the EU taxonomy did not include projects regarding nuclear energy and natural gas. However, in 2022, the European Commission decided to cover them as well (Alessi et al., 2019).

3. The Relevance of Global Climate Change Agenda for the EAEU

3.1. Climate change impact on the EAEU member states

The member states of the Eurasian organization, like all other countries and regions, are negatively affected by climate change.

Armenia is deeply vulnerable to mudflows and landslides, and some of its areas are at risk of flooding. With further temperature increases, disaster risks for this state will increase. In addition, a decrease in the yield of major crops and an overall reduction in the agricultural area are expected (United Nations Framework Convention on Climate Change, 2020).

For Belarus, climate change also has a significant impact on the agricultural sector. Drought can reduce yields of some crops by more than 70%. In addition, the water sector is vulnerable to climate change. The effects include an increase in winter and decrease in spring-summer river flows, a reduction in the period of ice cover, a decrease in the groundwater table, and a risk of increased frequency and intensity of floods (United Nations Framework Convention on Climate Change, 2022a).

For Kazakhstan, water resources are important for agriculture and electricity generation: hydropower accounts for 13% of total electricity generation. High temperatures accelerate the melting of glaciers, which in the medium term may change river flows and increase the risk of floods. Melting glaciers will reduce the flow of mountain rivers, which poses risks to the country's irrigation and food security. In this context, it is also important to consider that more than half of Kazakhstan's rivers are transboundary. Reduced access to water resources, combined with a projected increase in energy demand in the country, could increase regional political tensions (United Nations Framework Convention on Climate Change, 2022b).

The Kyrgyz Republic is among the top three most vulnerable countries to climate change in Eastern Europe and Central Asia (Liu et al., 2020). Major climate risks include droughts, landslides, avalanches, heavy rainfall, glacial lake outbursts, floods, rising groundwater, river erosion, and earthquakes. At the same time, the agricultural sector is the backbone of Kyrgyzstan's economy. Most of the country's population works in this sector. Rising temperatures lead to prolonged droughts and may exacerbate the lack of water resources for irrigation and accelerate soil degradation. Equally pressing for Kyrgyzstan is the problem of transboundary rivers, which generate energy for neighboring countries (Chepelianskaia & Sarkar-Swaisgood, 2022).

Due to the geographical features and size of the Russian Federation, the pace of climate warming on its higher than the world average. Average annual temperatures are increasing in all physiographic regions and federal districts of the country. The highest growth rate is noted on the coastline of the Arctic Ocean.

The permafrost zone, occupied almost two-thirds of the country, serves as a huge methane reservoir. Melting glaciers threaten to release large amounts of methane into the atmosphere, accelerating global warming.

Another adverse consequence of global warming for Russia is an increase in the frequency of droughts. Water shortages are predicted for the southern parts of European Russia. Rising temperatures are creating serious problems with the supply of moisture to forested areas and are increasing the risk of forest fires (United Nations Framework Convention on Climate Change, 2023).

At the same time, as noted in Russia's strategy for social and economic development, adopted in June 2021, climate change may have a positive effect for the country, for instance, the increasing the navigation period in the waters of the Northern Sea Route (Muzalev et al., 2023).

The acuteness of environmental problems due to global climate change forms different interests and priorities in the implementation of national environmental strategies of member countries. The assessment of efficiency of undertaken measures can be traced by the dynamics in changes of positions of countries in some internationally ratings in that area (Table 1).

Table 1
The positions of the EAEU member states in international environmental and climate ratings

Armenia	Belarus	Kazakhstan	Kyrgyzstan	Russia
Environmental Performance Index (n.d.); Wolf et al. (2022)				
56 (53)	55 (49)	93 (85)	126 (105)	112 (58)
Burck et al. (2020, 2021)				
–	48 (46)	61 (64)	–	59 (56)
Country Index. (Notre Dame Global Adaptation Initiative., 2024)				
52 (52)	39 (37)	39 (40)	69 (65)	33 (32)

Table 2
The current environmental protection costs in EAEU, million USD

	2017	2018	2019	2020	2021
Armenia	20.3	25.1	19.7	20.5	23.5
Belarus	475.7	322.4	341.6	309.8	339.7
Kazakhstan	538.2	554.1	579.2	509.5	576.9
Kyrgyzstan	40.3	43.6	99.3	78.3	107.0
Russia	5502.3	5523.9	5784.2	5479.5	5770.8

In order to counteract the negative effects of climate change, the EAEU countries continue to gradually increase spending on mitigation and adaptation measures as Table 2 (Eurasian Economic Commission, 2022a) shows.

3.2. The risks of climate policy on the development of the EAEU

In addition to climate change challenges, for the member states of the EAEU, there are risks related to the measures taken by foreign governments on their way to a low-carbon economy. The global energy transition and decarbonization lead to a phase-out of fossil fuels. This trend, combined with increasing profitability of renewables, reduces demand for traditional energy resources, and hydrocarbon exporters find that their sales markets are declining (Bianco et al., 2021). According to the International Energy Agency (IEA), if the current energy policy is implemented, the global natural gas demand in 2021-2030 will only grow by 5%, and nearly 75% of new global investment will flow in green energy. In such conditions, carbon-intensive sectors of the economy may face a lack of financing or become more costly, long-term risks to competitiveness and financial sustainability (International Energy Agency, 2022).

One of the examples of that risk for the EAEU is the mentioned EU's CBAM and Carbon Border Tax (CBT). CBAM-related costs to exporters will be significant. Taking into account the EU sanctions against Russia, additional costs incurred by Russian companies may be as high as $14.7 billion. Of that amount, steel exporters will pay $6 billion, and aluminum exporters, $5.6 billion (Murashko, 2021). Following the CBT in 2026, Kazakhstan will be losing up to $250 million in revenues per year, with the metallurgy sector hit the most (Abdraimova & Antonov, 2023). In Belarus, CBT-related costs are anticipated at €25 million at €7 million and in Armenia – at €1 million (Sudakov et al., 2022).

4. The Climate Change Strategies of the EAEU to Manage Environmental Challenges

4.1. The goals of the member states of the EAEU are to become a carbon net zero space

In 2021, the Eurasian Economic Union accounted for 6% of global emissions. At the same time, when compared with other regional economic zones, the EAEU demonstrates a steady reduction in greenhouse gas emissions (University of Notre Dame, 2024). GHG are distributed among the countries as follows: Russia – 4.65%, Kazakhstan – 0.82%, Belarus – 0.26%, Kyrgyzstan – 0.04%, and Armenia – 0.02% (British Petroleum, 2021). Moreover, a gradual decrease in emissions of other pollutants has been noted in all the EAEU countries (Eurasian Economic Commission, 2022a).

Despite significant differences in the volumes of GHG produced, all EAEU member states are parties to the UNFCCC and have ratified the Kyoto Protocol as well as the Table 3 shows according to the Paris Agreement (United Nations Treaty Collection, 2015).

A comparative analysis of the targets set out in the First NDC and the updated goals outlined in the reports delivered by the EAEU member states to the UNFCC in the period of 2021-2022 allow us to identify country-specific approaches to their achievement. In general, the Russian expert discourse is dominated by the point of view that the declared goals are not ambitious enough.

Among experts, the Republic of Armenia has the highest degree of approval of the national climate-friendly measures. According to its indicators published in April 2021, Armenia has set a goal of reducing GHG emissions by 40% of 1990 levels by 2030. However, the country practically fulfilled its plan as early as 2017-2020 (Climate Resource, 2021a).

In October 2021, Belarus updated its target and aimed to reduce GHG emissions by at least 35% of the 1990 baseline by 2030. Nevertheless, experts note that the country has experienced a decrease in greenhouse gas emissions over the past 30 years, and in fact, its updated goal implies only following the current dynamics until the end of the new period (Climate Resource, 2021b).

Table 3
The status of participation of EAEU countries in the Paris Agreement

Present legal status of the Paris Agreement	
Armenia	The ratification of the Paris Agreement of the UN Framework Convention on Climate Change by the National Assembly of the Republic of Armenia on February 9, 2017.
Belarus	The signing the Decree of the President of the Republic of Belarus of September 20, 2016 No. 345 "On the Adoption of an International Treaty."
Kazakhstan	The adaptation of the Law of the Republic of Kazakhstan of November 4, 2016 No. 20-VI LRK "On ratification of the Paris Agreement."
Kyrgyzstan	The adaptation of the Law of the Kyrgyz Republic of November 11, 2019 No. 125 "On ratification of the Paris Agreement on the United Nations Framework Convention on Climate Change, signed on December 12, 2015 in the city of Paris."
Russia	The signing the Decree of the Government of the Russian Federation No. 1228 of September 21, 2019 "On the Adoption of the Paris Agreement."

Kyrgyzstan's updated national report of June 2021 declares an "ambitious and fair" target, the overall methodology of which is quite comprehensive compared to the approaches of other EAEU countries. The unconditional target assumes a decrease of 16.63% by 2025 and 15.97% by 2030. At the same time, in contrast to other EAEU countries, 2010 is specified as the base year. The NDC also sets a conditional target, but for both models, according to various research papers on the issue, Kyrgyzstan's targets are still the lowest in the Central Asian region (Climate Action Network, 2021).

The draft updated report of Kazakhstan, which has been in public discussion since September 2021, states that "Kazakhstan at this stage of development will not be able to quantitatively increase its ambition to reduce GHG emissions. Reducing GHG emissions by 15% relative to 1990 emission levels by December 31, 2030, given the high dependence of the economy on fossil resources and the high level of vulnerability of the economy, population, and ecosystems to the effects of climate change, is a very ambitious goal for Kazakhstan" (Government of Kazakhstan, 2021). Thus, Kazakhstan did not update its targets set out in the first NDC of 2015: "not less than 15% excluding the sector of Land Use, Land-Use Change and Forestry (LULUCF) due to energy needs." At the same time, Kazakhstan became the first country not only in the EAEU but also in the whole Central Asian region, which in December 2020 declared to become a carbon-neutral country by 2050 (Khudyakova & Urumov, 2021).

It is also worth noting that in the updated NDCs of Belarus, Kazakhstan, and Kyrgyzstan, it is stated that further tightening of indicators (conditional targets) is possible "subject to the use of international financing mechanisms for the implementation of the best available technologies to achieve the reduction of greenhouse gas emissions."

According to the first and, to date, the only report of the Russian Federation published in 2020, Russia plans to reduce greenhouse gas emissions to 25-30% by 2030, provided that the absorption capacity of forests is taken into account as much as possible (Climate Resource, 2020).

In July 2020, Russia set a new national goal, and namely to ensure by 2030 a reduction of GHG to 70% relative to 1990 levels, with the maximum absorption capacity of forests and other ecosystems (President of the Russian Federation, 2020). In addition, in April 2021, Russia, following Kazakhstan, declared its intention to become a carbon-neutral country by 2060 (Yessekina, 2022). With a promise to achieve carbon neutrality in the country by 2050 at the UN Climate Summit, held in autumn 2021 in Glasgow, the President of the Kyrgyz Republic Sadyr Japarov appealed to the international community (The Ministry of Foreign Affairs of the Kyrgyz Republic, 2021).

In the case of implementation of the national targets by the deadline, the total volume of GHG, taking into account the absorption of greenhouse gases by forest ecosystems in the EAEU, will be reduced by 45% compared to 1990 levels with a projected increase in GDP.

5. On the Way to Develop a Common Climate Strategy in the Eurasian Economic Union

5.1. National approaches to the green taxonomy regulations

The member states of the EAEU have seen an active development of ESG regulation in recent years. In Russia, key initiatives in the field of ESG regulation include the following:

- *National Criteria (Taxonomy) of Green and Adaptation Projects and Verification System Requirements* (Government of the Russian

Federation, 2021). It should be noted that the adoption of Russia's taxonomy was approved by the Climate Bonds Initiative as consistent with international best practices (Climate Bonds Initiative, 2021).

- Recent amendments to the *Regulation of the Bank of Russia* "On Security Issuance Standards" providing for the issue of ESG-oriented bonds (Bank of Russia, 2022).
- Recent amendments to the Moscow Exchange Listing Rules establishing the rules and requirements for bonds (green, social, national projects), resulting in the creation of a sustainable development sector in the exchange (Moscow Exchange, n.d.).
- *The Strategy of Socio-Economic Development of the Russian Federation with Low Greenhouse Gas Emissions up to 2050*, adopted in October 2021. It identifies the measures to ensure by 2030 the reduction of greenhouse gas emissions to 70% of the 1990 level, subject to the maximum absorptive capacity of forests and other ecosystems, as well as identifies the areas and the measures of development with low greenhouse gas emissions until 2050. The document provides the formation of a comprehensive national system for monitoring and forecasting greenhouse gas emissions. The implementation of the target scenario will require investments in decarbonization at the rate of 1% of the GDP in 2022-2030 and 1.5-2% of the GDP in 2031-2050. The measures to implement the strategy include the development of sustainable, including green and financing (Muzalev et al., 2023).
- Roadmap for the implementation in the Sakhalin Region of a special regulatory experiment in order to create the necessary conditions to deployment of technologies aimed at reducing greenhouse gas emissions. The purpose of the experiment is to achieve carbon neutrality in the region by 2025 through the formation of an experimental system of trading in GHG (Popkova et al., 2021).
- *Register of Carbon Units of the Russian Federation*, introduced in September 2022. The first market trading was held at Moscow Exchange at an average price of 1 thousand rubles per carbon unit (AK&M, 2022).

It should be noted that an important feature of the Russian taxonomy is to provide transitional status for a number of projects of green technological modernization of carbon-intensive industries, as well as the allocation of nuclear power and fuel for it into separate areas without additional criteria (Government of the Russian Federation, 2021).

At the beginning of 2022, the Federal Law "On Reduction of Greenhouse Gas Emissions" was enacted (Kabir & Rakov, 2023). At present, there are no mandatory requirements for non-financial reporting in Russia, except for the requirement for the annual submission of data on greenhouse gas emissions by regulated organizations in a number of sectors. From 2023, those companies will be obliged to report on their emissions to the Ministry of Economic Development of the Russian Federation, and from 2025, the requirement will become mandatory for companies with annual greenhouse gas emissions of 50 thousand tons of CO_2 equivalent. However, the legislative acts of the RF do not provide any significant advantages or incentives to issuers of ESG-oriented debt instruments or investors in such instruments (Heroeva, 2022).

Kazakhstan, compared to the other member states of the EAEU, can be considered a relatively mature player in terms of ESG regulation. In July 2021, the new *Environmental Code*, which includes a national taxonomy of green projects, entered into force (ADILET, 2021). In July 2022, the Astana International Financial Center Green Finance Center, which was drafting Kazakhstan's green taxonomy, presented a draft social taxonomy, which (if approved) will define the objects to be financed through social bonds (SBER, 2022b). Also, the Environmental Code establishes the structure of a unified system of trading carbon units. Since 2013, exchange trading in carbon units has been conducted in Kazakhstan, and the average price is $1 per tons. The trading system regulates about 40% of domestic GHG generated by 225 enterprises, covering power generation, central heating, mining, and manufacturing, and annual emissions total more than 20 thousand tons of CO_2 equivalent per year. This system also implies the introduction of a carbon tax, but does not cover emissions from small businesses, the transport sector, and agriculture.

Additionally, in Kazakhstan, the *National Entrepreneurship Development Project* (2021-2025), adopted in 2021, includes measures for state support of green financial instruments, including subsidizing up to 50% of rates on green bonds and loans (SBER, 2022b). Although non-financial reporting in the republic is submitted on a voluntary basis, the Kazakhstan Stock Exchange has introduced a number of requirements for listed companies to disclose ESG indicators in annual reports (Gumar et al., 2023).

In February 2023, the *Carbon Neutrality Strategy until 2060* was approved. It determines the need to adapt the economy of Kazakhstan to global climate trends, such as the introduction of the Carbon Border Tax, the spread of ESG principles, the attraction of green investments, energy-efficient production, electrification, etc. According to the strategy, the greatest reduction of greenhouse gas emissions should be achieved in the energy sector by reducing the burning of fossil fuels. This requires significant improvements in energy efficiency in the areas of energy transmission and distribution and final demand, as well as the transition to non-fossil fuels in the primary energy supply. To achieve this goal, the country needs $666.5 billion in low-carbon investments, with the largest share going to electricity and heat generation at $305 billion, transportation at $167 billion, mining and manufacturing at $65 billion, housing and public utilities at $57 billion, and forestry at $49 billion (SBER, 2022b).

As for the other member states, regulation in the field of sustainable development is only in its infancy. In Belarus, the *National Action Plan for Green Economy Development for 2021-2025* and the *National Strategy for Sustainable Social and Economic Development up to 2030* have been established. The Working Group on Green Finance Development under the Ministry of Finance has developed criteria for green and adaptation projects and requirements for their verification and is considering possible measures to stimulate the development of green finance (Ministry of Finance of the Republic of Belarus, 2022). The Belarusian Currency and Stock Exchange (BCSE) has joined the Sustainability Stock Exchanges Initiative, but at the moment it does not have a sustainable development bonds segment or a requirement for companies applying for listing to submit ESG reporting (Sustainable Stock Exchanges Initiative, 2019b).

Armenia has the *Strategic Long-Term Development Programme* (2014-2025), which includes tasks to mitigate the effects of climate change. In 2021, the government approved the *National Action Plan for Adaptation to Climate Change* (2021-2025), one of the goals of which is to stimulate green finance. The *National Taxonomy of Green Projects* is under development (SBER, 2022a). The Armenian Securities Exchange has joined the Sustainability Stock Exchanges Initiative, but does not currently have a sustainability bond segment or a requirement for listed companies to submit ESG reporting (Sustainable Stock Exchanges Initiative, 2019a).

Kyrgyzstan has a number of strategic documents (e.g., the *National Programme for the Development of the Kyrgyz Republic until 2026* and the *Green Economy Programme* (2019-2023)), which determine the priority areas of sustainable development with an emphasis on improving living standards and ensuring economic growth. This is expected to be achieved through large-scale development of hydropower, electric transport, orientation to organic production as a strategic priority for agriculture, etc.

With the assistance of the Eurasian Development Bank and the Astana International Financial Center Green Finance Center, in 2022 GFC Bishkek was established (EBAR, 2022). The Kyrgyz Stock Exchange has joined the Sustainability Stock Exchanges Initiative, but does not currently have a sustainability bonds segment or a requirement for listed companies to submit ESG reporting (Sustainable Stock Exchanges Initiative, 2019c). Kyrgyzstan is about to adopt a taxonomy of sustainable projects (Astana International Financial Center, 2022) and by 2050 seeks to achieve carbon neutrality, primarily through the development of carbon-free energy, hydroelectric power plants, and a set of measures to improve the energy efficiency of the economy.

By 2025, the Kyrgyz republic expects to adopt a National Monitoring, Assessment, and Verification System to assess the effectiveness of the implementation of mitigation and adaptation measures and their financing. In addition, at COP 26 in Glasgow, Kyrgyzstan proposed to provide separate targeted funding for mountain countries in need and to create a special fund under the auspices of the UN to implement programs on adaptation to climate change with a focus on the conservation of glaciers, forests, and biodiversity, enhancing preparedness to natural disasters and socio-economic support of mountain communities. It is also important to note the adoption at the initiative of Kyrgyzstan of the UN resolution on the matter of transboundary cooperation in the field of biodiversity conservation, restoration, and sustainable use, the UNESCO resolution on the measures to strengthen mountain glacier monitoring and research. In October 2021, by the Decree of the President of the Kyrgyz Republic the *National Development Program until 2026* was adopted, in which one of the targets is to promote the implementation of green economy principles, green finance tools, the creation of a green financial corporation (SBER, 2022c).

5.2. Developing a model taxonomy within the Eurasian Economic Union

Focusing on global trends, the EAEU is developing its own climate strategy, which would meet the national interests and contribute to achieving the goals of Eurasian integration.

The substantive basis for the implementation of the principles of green economy in the EAEU represents section of a policy document *On Strategic Directions of Development of the Eurasian Economic Integration until 2025*, approved in December 2020. It outlines the general guidelines for the development of economic cooperation in the field of green technologies and environmental protection. It provides for the step-by-step adoption of such measures as the dissemination of smart energy-efficient technologies, restrictions on the import and production of disposable plastic, the exchange of best practices and cooperation between member states in the field of energy saving, energy efficiency, the use of renewable energy sources and environmental protection. This policy paper also outlines the goal of developing the concept of introducing the principles of green economy of the EAEU (Eurasian Economic Commission, 2020).

Then, in April 2021, the Eurasian Intergovernmental Council adopted another important document *On the Main Directions of Industrial Cooperation within the Eurasian Economic Union until 2025* (ALTA, 2021). With respect to the issues of green technologies and environmental protection actions in a whole, the document says that there is a need for a phased introduction of a ban on the import and production of disposable products made of plastic, and the formation of proposals based on the analysis of the industrial sector.

To develop the concept of green economy in the EAEU, the strategic document provides for the following tasks: promoting the use of energy- and resource-saving technologies, exchange of experience and best practices within the organization; studying the feasibility of a gradual ban on the import and production of certain types of disposable plastic products (Eurasian Economic Commission, 2020). In order to realize the outlined plans, in August 2021 a High-Level Work Group was established in the EAEU. It was formed to make sure the EAEU member states are on the same page when it comes to climate agenda positions (Eurasian Economic Commission, 2021).

As part of the promotion of climate issues, in October 2021 the heads of the member states adopted the Statement on Economic Cooperation of the Eurasian Economic Union Member States in the Framework of the Climate Agenda. In the document, the leaders of the EAEU countries agreed to "inclusive international cooperation on combating climate change and strengthening foreign economic relations based on the principles of non-discrimination, equality, and respect for sovereignty, in order to ensure conditions for the economic and environmental well-being of the EAEU member states" (Eurasian Economic Commission, 2021).

In October 2022, at the meeting of the Eurasian Intergovernmental Council the First Package of measures on cooperation of the EAEU member states in the framework of the climate agenda was adopted. A separate section in the document provides for an analysis of national and international practices, including the development of common approaches to the model taxonomy of green projects of the EAEU. In addition, the document included six important initiatives, including development of proposals for the formation of joint market and non-market mechanisms of carbon regulation to achieve the goals of the Paris Agreement (Eurasian Economic Commission, 2022b).

It is important to note that this roadmap was developed with the clear goal. It is to address one of the main issues of the climate agenda for the EAEU, namely to interface different national climate strategies, plans, and timelines for achieving carbon neutrality, and thereby provide timely action at the global level.

6. Conclusions

Global climate change is one of the key environmental challenges of our days. All states of the world are negatively affected by climate change. They are forced to take measures aimed at reducing climate risks and adapting to change, but also to cooperate with each other in the framework of the climate agenda.

The member states of the Eurasian Economic Union are affected by climate change and follow the global trend. Some members of the organization have already made commitments to achieve carbon neutrality, and all countries have adopted action plans to reduce greenhouse gas emissions as well as adapt to climate change. For that, they have also outlined the conceptual framework and created a basic infrastructure to ensure sustainable development and promotion of green financing. At this point, it is worth to mention that there are a large number of international and national initiatives for the creation of green taxonomies, which are at different stages of development. However, a common understanding of what is

green and what is not has not yet been formed in the world. We believe this should be kept in mind when attempting to evaluate the efforts of a state or group of states and/or other international actors aspiring to make a contributing to the global campaign to combat climate change.

In order to minimize the possible risks associated with the transition to a new global energy paradigm, the EAEU needs to take into account three key aspects that will allow it to develop climate policy in the context of the discussed issue: the different level of maturity of carbon regulation, opportunities for financing green projects, and measures taken by its key trade partners in this area.

At present, the different level of economic development, available financial resources, and the production and technological capabilities of the member states creates restrictions for promotion of green projects. Coordination of efforts of the EAEU countries will make it possible to carry out modernization of their economies at lower cost. It should take place in the domestic and foreign markets. Domestic policies should be designed to prevent trade barriers. Tightening of environmental requirements in one of the EAEU countries in the absence of synchronized actions in other countries can lead to imbalances in the conditions of economic activity, disruptions in trade and investment flows between countries. The external policy course should be focused on the development of trade and economic communication with other international organizations.

In general, however, the interaction of Eurasian Economic Union member states on environmental issues should be seen as the newest and highly perspective direction for the organization in the long term. It is also important to note that, while developing its own climate agenda, at the global level the Eurasian Economic Union has positioned itself as an open partner for dialogue. Its approach is based on the principles of mutually beneficial and effective international cooperation.

Conflicts of Interest

The authors declare that they have no conflicts of interest to this work.

Data Availability Statement

Data available on request from the corresponding author upon reasonable request.

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