

## 4 THE GLOBAL ASPECT OF ENSURING THE FINANCIAL SECURITY OF SUSTAINABLE DEVELOPMENT

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### ABSTRACT

The object of the study is the process of ensuring the financial security of sustainable development at the global level. Research methods are based on general scientific principles and fundamental provisions of economic theory, theory of finance, international finance, financial security, the works of leading Ukrainian and foreign scientists. The dialectical method of scientific knowledge, the methods of scientific abstraction, analysis and synthesis (to study the theoretical foundations for solving problems of financial security), systemic generalization (to systematize the categorical apparatus of the study of ensuring financial security of sustainable development at the global level, improve the classification of international financial resources involved in the field of sustainable development, determination of measures to ensure the financial security of sustainable development at different levels of management).

The classification of international financial resources involved in the field of sustainable development has been improved by including such features as: forms of existence, ownership, sources of formation, directions of use, period of use, level of use.

The configuration of the global security of sustainable development is justified as a set of elements: subjects, objects, principles and levers of control.

Measures to ensure the financial security of sustainable development at different levels of management have been identified.

### KEYWORDS

Global financial security of sustainable development, global system of financing for sustainable development, structural elements of financial security of sustainable development, factors of financial security of sustainable development.

#### 4.1 ESSENCE AND COMPONENTS OF THE GLOBAL SYSTEM OF FINANCIAL SECURITY OF SUSTAINABLE DEVELOPMENT

In 2015, the UN General Assembly adopted the final document on the development agenda «Transforming Our World: Agenda for Sustainable Development until 2030» [1], the purpose of which was to eliminate poverty and hunger, ensure sustainable development in its three components through promoting inclusive economic growth, protecting the environment and promoting social inclusion.

Achieving sustainable development depends on the state of economic, socio-cultural, environmental, technological security of countries. The state of financial security as one of the components of economic security is the most important factor in ensuring the implementation of sustainable development goals through the need to meet urgent financing needs, the efficient use of financial resources, the prevention of financial threats in the field of socio-economic development and environmental protection.

The global program for financing activities to achieve sustainable development after 2015, aimed at strengthening efforts to mobilize and effectively use financial resources in the field of sustainable development, was determined by the Addis Ababa Action Agenda of the Third International Conference on Financing for Development [2]. Along with this, the achievement of sustainable development goals requires not only significant national and international financial support, but also ensuring the sustainability of the global sustainable development financing system against negative impacts.

Despite taking into account the risks of the global financial and economic crisis of 2008, the strengthening of the global financial security net, the creation of new coordination mechanisms and the initiated regulatory reforms, according to The Inter-Agency, the non-financial corporate sector is growing, and international capital flows continue to be very unstable [3].

The COVID-19 pandemic has dramatically set back progress towards the Sustainable Development Goals and has affected all aspects of financial development. As the UN Secretary-General noted, the world economy is experiencing the worst recession in 90 years, which disproportionately affects the most vulnerable: from 80 to 90 million people are pushed into extreme poverty, 114 million jobs are lost, tax revenues are reduced, foreign direct investment, trade, and remittances, along with rising debt levels, debt vulnerabilities have increased [4].

The global economic outlook remains fragile: in early 2022, the United Nations (UN) predicted that the global economic growth rate, after rising by 5.5 % in 2021, will decrease to 4.0 % in 2022 [5]. Increased global financial instability due to the deregulation of financial markets, labor markets, goods and services, which as a result led to the accumulation of large global imbalances in the world economy (exacerbation of balance of payments problems, an increase in the burden of external debt) that are incompatible with the Sustainable Development Goals [6], the socio-economic crisis caused by COVID-19, Russian aggression against Ukraine has threatened the timely implementation of the 2030 Agenda for Sustainable Development.

Among the priorities identified by the UN in 2022, in addition to fighting the pandemic, overcoming the climate crisis, ensuring peace, there is also the reform of the global financial system, in particular, strengthening financial security [7]. Given the global nature of the above problems affecting the financial system as a whole, as well as the fact that financial security is the state of the financial system, which creates the necessary conditions for stable development, the study of global financial security of sustainable development is one of the pressing issues.

The works of many scientists are devoted to the study of problematic issues of financial security at the macro and micro levels. The issue of ensuring the security of international finance

was considered by Anthony N. Odiadi [8], the origin of the instability inherent in international capital flows, the need to maintain orderliness of the market by government agencies was substantiated by Valpy FitzGerald [9], the relationship between finance and security was studied by Marieke de Goede [10].

Briginets, A. [11], Getmanets, A. [12] paid attention to the issues of legal support of financial security. The works of Dmitriev, E. [13] are devoted to the issues of financial security in the context of globalization.

The most significant from the perspective of considering the problem of ensuring financial security at the global level are the works of Ruyu Han to determine the general relationship between financial internationalization and financial security [14], Nina Boy, J. Peter Burgess, Anna Leander to study issues of global security and financial management [15], Nuryanova Saule, Yessentay Aigerim to identify threats to the financial security of the national economies of countries during the financial crisis [16]. A detailed analysis of the essence of the global financial security net was carried out by Beatrice Scheubel, Livio Stracca, Cédric Tille [17–19], the issues of expanding the global financial security net in response to COVID-19 were studied by Kevin P. Gallagher, Haihong Gao, William N. Kring, José A. Ocampo, Ulrich Volz [20].

Along with this, given the growing global financial instability and other factors that threaten the timely implementation of the sustainable development agenda, it is necessary to pay special attention to issues related to the financial security of sustainable development in the global aspect.

The conceptual apparatus of financial theory and practice, international finance contains a large number of terms, regarding the interpretation of which there is no single point of view among scientists. Therefore, the problem of financial security of sustainable development requires clarification of the content of the concepts used.

Starting with a consideration of the general concept of «security», it should be noted that from the point of view of the system approach, security means a property of a system that ensures its stable functioning and development in the face of various types of external and internal threats, that is, this is such a property of the system that can be reduced to minimum, and at best, completely get rid of the negative impact of destabilizing factors of various nature; the conditions in which a complex system is located, when the action of external factors and internal factors does not lead to processes that are considered negative in relation to this complex system in accordance with the needs, knowledge and ideas available at this stage [21]; the state of the system in which it retains its integrity, stability (stability), the ability to function effectively and sustainable development, and on their basis – the possibility of reliable protection of all its elements (subsystems, spheres, objects) from any destructive internal and external actions [22].

Financial security, as you know, is an integral part of economic security and, in turn, has a complex system containing several subsystems (structural elements). In dictionaries, the term «financial security» is defined as the state of the financial, monetary, currency, banking, tax systems, characterized by balance, resistance to internal and external negative influences, the ability to ensure the effective functioning of the economic system and economic growth [21, 22].

Scientists, considering the structural elements of financial security on a functional basis, distinguish them in different ways, but all of them, of course, relate to the elements of financial security of sustainable development, their generalized characteristics are presented in **Table 4.1**.

● **Table 4.1** Elements of financial security for sustainable development

| <b>Element of financial security</b>         | <b>Characteristics of the element of financial security</b>                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Budget Security                              | The level of the state's budgetary capacity to fulfill all its functions and tasks is drawn up taking into account the balance of all income and expenses, in compliance with the principles of expediency, legality and efficiency in the use of budgetary funds, the level of external and internal debt burden does not threaten either the financial system of the state or its sovereignty                       |
| Monetary security                            | The state of the monetary system, characterized by the stability of the monetary unit, the availability of credit resources and the level of inflation, which ensures economic growth and an increase in real incomes of the population                                                                                                                                                                               |
| Currency Security                            | The stability of the national currency, the degree to which the state is provided with foreign exchange funds sufficient to maintain the exchange rate of the national currency, which creates optimal conditions for expanded reproduction and economic growth                                                                                                                                                       |
| Banking security                             | The level of financial stability and the state of the resources of the banking system, which allows avoiding risks and threats, contributes to the sustainable development of both the banking system and the national economy                                                                                                                                                                                        |
| Security of the non-banking financial sector | The size of capitalization allows to ensure the balanced development of the elements of the economic system and the stable state of all participants (issuers, owners, buyers, traders, intermediaries (brokers), registrars, depositories, custodians, the state, etc.)                                                                                                                                              |
| Tax security                                 | The state of the effectiveness of the tax policy pursued by the state. An effective tax policy should reasonably combine the interests of the state (primarily in filling the budgets of all levels) and the interests of taxpayers. The appropriate level of tax security of the state is such a level at which the state receives a sufficient amount of tax revenues to implement all the functions assigned to it |
| Debt security                                | The state of the state's internal and external debt is sufficient to solve urgent socio-economic needs and only slightly affects the stability of the state's financial system to internal and external threats. An adequate level of debt security of the state allows to ensure a certain level of relative independence of the state, maintaining an appropriate level of solvency and credit rating               |
| Investment security                          | The state of achieving the investment level, which makes it possible to meet the current and future needs of the state economy for certain capital investments, taking into account their effective use and return on invested funds                                                                                                                                                                                  |

*Source: compiled by the authors based on [11, 23]*

Sytnyk, N., Stefankiv, B. distinguish the following aspects of financial security: the current state – the creation of a state of budgetary, tax, customs, monetary, foreign exchange, banking, investment systems, the main characteristics of which are: balance, resistance to internal and external negative influences, the ability to prevent external financial expansion, to ensure effective

functioning of the national economic system and economic growth; functional support – protection of the financial interests of subjects at different levels of relations; regulatory support – the creation of the necessary regulatory and legal prerequisites for the functioning of the financial system, allowing to make the direction of financial flows to the shadow or penumbral sphere, as well as to the misuse of financial resources of the state [24].

Briginets, O. defines balance, resistance to internal and external threats, the ability to ensure the effective functioning of the national economy and the economic growth of the state with the characteristic features of financial security [11].

Considering the concepts of «international financial security» and «global financial security», it should be noted that they are closely related to the concept of «global financial security of sustainable development». Thus, the concept of international financial security is interpreted by scientists as a set of international conditions for the coexistence of agreements and institutional structures, under which each member state of the world community is provided with the opportunity to freely choose and implement its strategy of social, economic and financial development, without being subject to external pressure and counting on non-intervention, understanding and mutually acceptable and mutually beneficial cooperation on the part of other states [21].

According to Dmitriev, E., international financial security should be considered from several points of view:

- 1) through the prism of international economic relations as an interconnected system of the following elements: foreign economic and financial security of a separate national economy; financial security of large economic and legal groups and unions; financial security as a response to the main current trends and threats at the global level;

- 2) through ensuring global financial stability, since only a stable international financial system effectively allocates resources, assesses and manages financial risks, maintains employment at a level close to natural, and also manages the movement of prices for real and financial assets in order to prevent destabilization of financial and real markets [13].

Nurymova Saule, Yessentay Aigerim, considering the financial security of countries and regions, distinguish the following main segments: budget and taxes; monetary; credit and banking; extra-budgetary fund [16].

Regarding the definition of the concept of global financial security, it should be noted that scientists interpret it as a state of international, economic and financial relations of the world economy, in which sustainable economic development of countries is ensured and conditions for mutually beneficial cooperation are created, stability and balanced development of the economies and financial systems of states are ensured, growth the level of well-being of the world's population [23]. Hetmanenko, O. notes that global financial security contributes to maintaining the stability of the world economy and allows creating conditions conducive to the growth of production, science and welfare of the countries of the world, and also limits spontaneous fluctuations in the global market, including the financial one, and prevents them from developing into a global financial crisis [23].

According to Briginets, A., «now the main task of global financial security is to counter the destabilization of international relations and provide opportunities for stable financial growth of all states» [11].

A study on ensuring the monetary security of sustainable development at the global level necessitates determining the configuration of its system as a set of parts: subjects, objects, principles and control levers.

The subjects of monetary security of sustainable development at the global level include countries, international financial universities (International Monetary Fund, international and regional development banks), UN agencies, stabilization funds.

The objects of global financial security of sustainable development are financial interests (determining financial needs, the satisfaction of which will contribute to the achievement of sustainable development, ensuring the financial stability of the world community, strengthening the global financial system, the effective use of international financial resources to ensure the implementation of sustainable development programs), international financial resources, involved in the field of sustainable development; global system of financing sustainable development.

Concretizing the concepts of international financial resources involved in the field of sustainable development, it is necessary to define them as the financial resources of countries, international financial organizations aimed at achieving sustainable development goals at the international and global levels.

The classification of international financial resources involved in the field of sustainable development provides a clearer definition of the specifics of the interpretation of this concept (**Table 4.2**).

It should be noted that international financial resources involved in the field of sustainable development have specific functions to eradicate poverty, achieve sustainable development goals, finance the provision of regional and global public goods, maintain macroeconomic stability in the context of a broader global favorable environment, channel funds for the purpose of long-term investments, the use of funds along with private capital with the distribution of risks and profits [25].

As for the definition of the essence of the global sustainable development financing system, this term should be understood as a set of interrelated elements of the national, international and world levels: subjects (countries, international financial organizations, UN agencies, global funds) and objects by areas of financing (social, economic, production, infrastructure, food security, environmental protection, global public goods), which should interact on the basis of the principles of synergy, differentiation of sources of financial support, subordination to certain goals of sustainable development, efficiency, optimality through the use of economic and administrative levers for managing sustainable development [25].

Consideration of the essence of the financial security of sustainable development also requires the identification of factors that lead to financial risks and create threats to its provision at the national and global levels.

● **Table 4.2** Classification of international financial resources involved in the field of sustainable development

| Criterion                             | Types                                                                                                                                                                                                                                                       |
|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| According to the forms of existence   | Cash<br>Securities<br>Debentures<br>Grants<br>Loans<br>Investments                                                                                                                                                                                          |
| By affiliation                        | Own<br>Loan<br>Attracted (international financial assistance)                                                                                                                                                                                               |
| According to the sources of formation | State<br>Private<br>Financial resources of international financial organizations                                                                                                                                                                            |
| By directions of use                  | For sustainable development<br>Complementary Climate Finance (Climate Change Mitigation and Adaptation Finance)<br>To finance global public goods (communicable disease control and treatment, ecosystem services and biodiversity, technology development) |
| By period of use                      | Short-term (up to 1 year)<br>Medium-term (from 1 to 3 years)<br>Long-term (from 3 to 10 years)                                                                                                                                                              |
| By level of use                       | Micro level (national)<br>Meso level (regional)<br>Macro level (international)<br>Mega level (global)                                                                                                                                                       |

*Source: compiled by the authors based on [25]*

Speaking about financial security at the national level, it should be noted that its condition as a whole depends on the factors of both the internal and external financial and credit policy of the state, the political situation in the state, the perfection of legislative support for the functioning of the financial system, as well as international obligations of the state [26].

The factors of threats to the financial security of sustainable development at the global level include global factors that impede or pose a threat to the implementation of the Sustainable Development Goals, the implementation of which is associated with the financial support of programs in this area.

The analysis of sources [14, 26, 27] made it possible to clarify the classification of risk factors and threats to the financial security of sustainable development at the national, international and global levels of formation (**Table 4.3**) and identify global factors that have a negative impact on it, namely: the debt of countries liquidity shortage in developing countries, capital

volatility, financial market instability, problems of financial regulation, problems of international financial institutions.

● **Table 4.3** Classification of risk factors and threats to the financial security of sustainable development by the level of formation

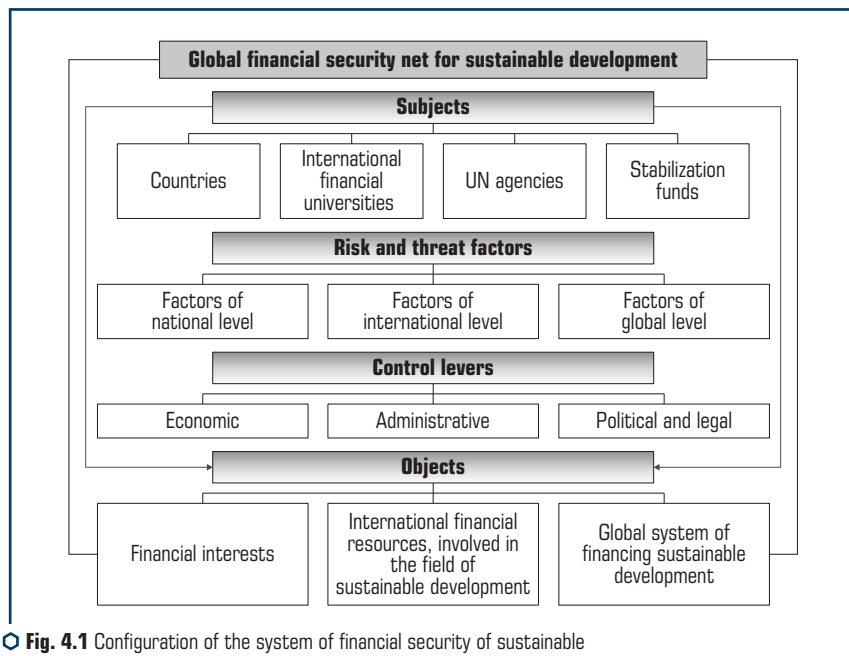
| Level         | Factors                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| National      | Instability and imperfection of legal regulation in the financial sector<br>Uneven distribution of the tax burden on business entities, which leads to tax evasion and capital outflow abroad<br>Outflow of capital abroad as a result of the deterioration of the investment climate<br>Low level of budgetary discipline and imbalance of the budgetary system<br>Increase in public debt<br>Shadowing the economy<br>Insufficient level of gold and foreign exchange reserves<br>Significant level of dollarization of the economy<br>Insufficient level of capitalization of the financial system |
| International | Limited access to international financial markets<br>Deterioration of foreign trade<br>Growing balance of payments deficit<br>Significant dependence on external creditors<br>The impact of global financial crises on the financial system of the state                                                                                                                                                                                                                                                                                                                                              |
| Global        | Developing country debt<br>Liquidity shortage in developing countries<br>Capital volatility<br>Financial market instability<br>Problems of financial regulation<br>Problems of activity of international financial institutions                                                                                                                                                                                                                                                                                                                                                                       |

*Source: compiled by the authors based on [14, 26, 27]*

The configuration of the system of monetary security of sustainable development at the global level is shown in **Fig. 4.1**.

Thus, based on the consideration of the characteristics of the elements of general financial security, the essence of the global sustainable development financing system, taking into account the analysis of the interpretation of scientists regarding the essence of financial security at different levels, it is necessary to understand the financial security of sustainable development at the global level as the state of the global sustainable development financing system characterized by balance, resistance to internal and external negative impacts, the ability to ensure socio-economic development, which involves the interaction of economic growth, social development and environmental protection in order to meet existing needs, as well as future generations of the population of all countries of the world.

The threat to the financial security of sustainable development at the global level – factors that pose a threat to the financial interests of sustainable development and form the potential for causing losses or additional losses in the area of achieving the Sustainable Development Goals.



**Fig. 4.1** Configuration of the system of financial security of sustainable development at the global level

Source: compiled by the authors based on [23, 25]

## 4.2 INSTITUTIONAL SUPPORT OF THE SYSTEM OF FINANCIAL SECURITY OF SUSTAINABLE DEVELOPMENT AT THE GLOBAL LEVEL

The UN agencies, international financial institutions and international organizations deal with issues and problems related to ensuring the financial security of sustainable development at the global level. United Nations Inter-Agency Task Force on Development Finance (IATF) A task force established to implement the Addis Ababa Agenda, consisting of more than 60 UN agencies, programs and offices, regional economic commissions and other international institutions the IATF is coordinated by the Department's Sustainable Development Financing Office Economic and Social Affairs of the United Nations, the main participants of the group are the main institutional stakeholders of the development finance process – the World Bank Group, IMF, WTO, UNCTAD and UNDP. The main areas of work of the IATF are: environmental, social investment and profit, trade finance gap, aligning capital markets with sustainable development, financing social protection floors, impact of new technologies on labour markets, illicit financial flows, infrastructure investments and public-private partnerships, measuring international public finance [28].

Financial Stability Board (FSB) The Financial Stability Board is an international organization whose goal is to promote international financial stability by identifying weaknesses in global financial stability, monitoring, developing and providing recommendations in the global financial system. The FSB became the legal successor of the Financial Stability Forum, founded in 1999 by G7 finance ministers and central bank governors. 2009 The FSB Charter was adopted by the G20 Heads of State and Government, the FSB assumed a key role in advancing the reform of international financial regulation and supervision. The mandate of the FSB covers in particular:

- assessing the vulnerabilities affecting the global financial system, as well as timely and on-going, from a macroprudential point of view, identifying and reviewing the regulatory, supervisory and related actions needed to address these vulnerabilities and their consequences;
- facilitating coordination and information exchange between the authorities responsible for financial stability;
- monitoring and advising on market developments and their implications for regulatory policy, best practices for compliance with regulatory standards;
- conducting overall strategic reviews of international standard-setting bodies and coordinating their work to develop appropriate policies that ensure timeliness, coordination, focus on priorities and elimination of shortcomings;
- support for contingency planning for cross-border crisis management;
- cooperation with the International Monetary Fund to conduct Early Warning Exercises [29].

The priority areas of work and new initiatives of the FSB in 2022 are:

- *support for international cooperation and coordination on current financial stability issues* – strengthening monitoring to identify, assess and address new risks to global financial stability against the backdrop of the Russian-Ukrainian war and its economic consequences;
- *enhancing the resilience of the non-banking financial intermediation sector while maintaining its benefits* – advancing the FSB work program to enhance the resilience of the sector;
- *strengthening cross-border payments* – improving existing payment systems and mechanisms, developing new systems, continuing cooperation with international organizations to implement the FSB roadmap to improve cross-border payments;
- *capitalizing on the benefits of digital innovations while containing their risks* – continuing to work on financial stability, regulatory implications of technological innovations with a focus on various forms of crypto assets, including decentralized finance (DeFi), increasing cyber resilience;
- *elimination of financial risks from climate change* – continued coordination of international work to create and strengthen the analytical base for monitoring climate risks for financial stability; identification of regulatory and supervisory approaches to address climate-related financial risks [30].

The Global Financial Security Net (GFSN) plays an important role in anti-crisis and stabilization support for countries whose efforts are aimed at achieving sustainable development goals, the function of which is equivalent to that of an international lender of last resort [17].

As noted by Beatrice Scheubel, Livio Stracca, «the current constellation of the GFSN is not the result of coherent design, and there is no 'benevolent social planner' behind it. It is rather the result of the stratification and interaction of different factors and interests and historical developments, often pursuing domestic rather than global objectives» [17]. In relation to sovereign governments, the GFSN pursues a triple goal: providing preventive crisis insurance, providing liquidity during a crisis, and stimulating prudent macroeconomic policies [31].

The Global Financial Security Net (GFSN) covers 4 elements that can be used by countries at different levels:

- *national foreign exchange reserves (national level)* – accumulation of foreign exchange reserves, their support at the level of generally accepted sufficiency criteria in order to increase the stability of the financial system and economies of countries to adverse events. National foreign exchange reserves differ from other elements of the GFSN in that they do not require agreement with other parties and can be considered as a means of self-insurance;

- *Regional Financing Arrangements (RFAs) (regional level)* – lines of defense in the GFSN that help prevent and mitigate the effects of economic and financial crises. RFAs – mechanisms or agreements through which groups of countries mutually undertake to financially support countries that are experiencing financial difficulties in their regions (for example, European Stability Mechanism (ESM) – a regional financial agreement for the eurozone [32], Arab Monetary Fund (AMF) [33], Latin American Reserve Fund (FLAR) [34], Chiang Mai Initiative Multilateralisation (CMIM) [35], Eurasian Fund for Stabilization and Development (EFSD), etc.);

- *central bank swap lines negotiated bilaterally (international level)* – the use of swaps by central banks to obtain short-term access to foreign currency liquidity in exchange for its national currency in order to increase reserves and provide loans to domestic banks and corporations;

- *funding through the IMF (global level)* – traditionally the central element of the GFSN, which has a long experience in resolving crises using various instruments and effective lending technology. The IMF plays a special role in the overall functioning of the GFSN, since the main purpose of the IMF is to ensure the stability of the international monetary system.

### 4.3 MODERN TRENDS IN THE FIELD OF FINANCIAL SECURITY OF SUSTAINABLE DEVELOPMENT AT THE GLOBAL LEVEL

The economic and financial consequences of the COVID-19 pandemic have become unprecedented on a global scale, the socio-economic crisis that it provoked increased the main risks of the international financial system, created threats to the financial security of sustainable development, as evidenced by the reports of international organizations, the conclusions of experts in the field of financing, sustainable development, global financial security net [4, 5, 20, 36]:

- first, the shock of COVID-19 negatively impacted developing countries' access to foreign exchange through four channels: non-resident capital flight, which excluded low-income and least

developed countries from capital markets; a sharp drop in international trade; a sharp decline in global remittances; a sharp decline in foreign direct investment. And although, according to the UN, countries have activated all levels of the global financial security net, access to it has been uneven. The main instruments of the global financial security net available to most countries were a new allocation of special drawing rights on a record scale and emergency lending from the IMF, while bilateral currency swaps were available only to a small number of countries, and regional financing mechanisms did not live up to their potential. Immediate needs of developing countries amount to 2.5 trillion USD, but the funding available to them is only 700–971 billion USD [20];

– secondly, the COVID-19 crisis has highlighted the impact of environmental risks on the financial sector. There are two main types of *climate change-related* financial risks: physical risks, as climate-related hazards could reduce the value of financial assets and/or increase liabilities; transition risks as changes in climate change mitigation and adaptation policies, as well as market sentiment and technology changes, affect the value of financial assets and liabilities. Climate change can also create liability risks, where actors are held liable for environmental damage they may have caused. Despite the rise in climate-related risks, the number of financial institutions that consider them in their decision-making and risk management remains small. Few financial institutions directly integrate specific climate variables into credit risk models or institution-wide risk management systems;

– thirdly, one of the most important shifts in the financial markets was the growth of digital financial services, which, on the one hand, supported the functioning of the financial system, and on the other hand, raised concerns about fairness and regulation, growing threats to cybersecurity and financial stability. There is currently progress in the development of standards in this area thanks to the active interaction of national regulators with service providers, but the growing role of large global technology platforms in the provision of financial services requires a review of this policy, as their potential to dominate the market creates additional risks.

Another long-term trend is the development of digital currencies, including privately issued so-called stablecoins and central bank digital currencies. Significant fluctuations in the valuation of crypto assets make them unsuitable for performing the main functions of a currency (as a store of value, unit of account and medium of exchange), and anonymity and decentralized nature leads to fears of their use in illegal financing and other fraudulent activities [36].

The above trends and problems necessitate their immediate solution in order to return the world community to the path of progress in achieving the Sustainable Development Goals in accordance with the 2030 Agenda. Consideration of risk factors and threats to the financial security of sustainable development, analysis of international sources regarding ways to overcome such threats and risks [4, 5, 20, 36, 37] allows us to draw conclusions about the need to implement such measures in order to ensure the financial security of sustainable development at different levels of management:

1) *at the national level:*

– conducting a balanced stimulating monetary and fiscal policy. It is important to provide cash subsidies to the population with low incomes, reduce taxes for small and medium-sized enterprises, encourage banks to lend;

- careful management of cross-border capital flows (use of macroprudential policies, capital controls to prevent a sharp increase in capital inflows and outflows);

- support for non-banking financial institutions (strengthening the role of non-banking financial institutions (NFI), adjusting their capabilities through the analysis of systemic risks caused by the activities of NFIs (the main causes of systemic risk are general risks, concentrated markets, dominant investors and the relationship between banks and NFIs), as well as setting up instruments by central banks to directly support NFIs (providing liquidity for sectors and economies in need of dollar financing);

- reducing the risks associated with digital currencies – careful monitoring of the further development of digital currencies by national authorities, ensuring comprehensive regulation and supervision, reviewing the legislative and regulatory framework, if necessary, cooperation with international organizations, using the developed recommendations of the FSB;

- maintaining sufficient foreign exchange reserves for self-insurance purposes;

##### *2) at the regional level:*

- strengthening regional financial security nets – strengthening liquidity support mechanisms for countries in crisis by regional financial mechanisms (ESM, AMF, FLAR, CMIM), in particular by expanding their membership base and increasing the volume of resources. This may help to increase cooperation with international financial institutions, including the IMF, although such mechanisms should retain sufficient autonomy to better meet the needs of their member countries; strengthening experience sharing and peer learning, including through annual high-level dialogue and joint research workshops; continued collaboration with the IMF to share information and coordinate assistance to member countries on the ground;

##### *3) at the international level:*

- ensuring the availability and increase of bilateral swaps for countries in need of financial support. It is necessary to expand the coverage of currency swaps of the Federal Reserve System, the creation of a multilateral swap in the IMF;

- expanding international cooperation to create a comprehensive and coordinated regulatory framework for crypto assets and so-called «stable cryptocurrencies», which can eliminate side risks to the global financial system;

##### *4) at the global level:*

- urgent mobilization of the IMF and the World Bank of financial resources to solve global problems;

- allocation by the IMF of Special Drawing Rights (SDRs) to meet the long-term needs of individual countries to supplement official reserves and to enhance the resilience and stability of the global economy; redistribution by countries with a positive balance of payments balance of payments of SDRs in favor of countries in need of support; countries with strong external positions using their SDRs to help the IMF's Poverty Reduction and Growth Trust (PRGT);

- debt relief for the world's poorest countries, debt suspension, rescheduling of payments for middle-income countries; replenishment by IMF members of accounts under concessional financing instruments and debt relief;

- ensuring the availability for developing countries of long-term financing for sustainable development, including by replenishing the capital needs of multilateral development banks;

- revision of the policy on the functioning of a global large technological platform in the provision of financial services in connection with the creation of additional risks through the potential for market dominance;

- improvement of global financial regulation, in particular, it is necessary to include the consideration of climate risks in global timely financial regulation with the establishment of mandatory reporting standards and the integration of climate risk scenarios into financial stress tests to assess the impact on financial institutions.

Thus, the study on ensuring the financial security of sustainable development at the global level allowed:

- determine that financial security is one of the key prerequisites that determine the effectiveness of the implementation of sustainable development goals;

- establish that the financial security of sustainable development at the global level should be understood as the state of the global system of financing sustainable development, characterized by balance, resistance to internal and external negative impacts, the ability to ensure socio-economic development, which provides for the interaction of economic growth, social development and protection of the environment in order to meet the existing needs, as well as future generations of the population of all countries of the world;

- establish that the threat to the financial security of sustainable development at the global level are factors that pose a threat to the financial interests of sustainable development and form the potential for damage or additional losses in the area of achieving the Sustainable Development Goals;

- clarify the classification of risk factors and threats to the financial security of sustainable development at the national, international and global levels of formation and highlight the global factors that have a negative impact on it, namely: debt of developing countries, liquidity shortage in developing countries, capital volatility, financial market instability, problems of financial regulation, problems of activity of international financial institutions;

- identify measures to ensure the financial security of sustainable development at different levels of government.

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