

Analysis of the main projects implemented in Uzbekistan in cooperation with international financial and credit institutions

Denov Institute of Entrepreneurship and Pedagogy, “Finance, Monetary Circulation and Credit”
Department

Qosimov Bobur Sobirovich

Boburkosimov0@gmail.com

<https://orcid.org/0009-0006-8238-1098>

phone number 884559900

Annotation: The article analyzes the main investment and socio-economic projects implemented in the Republic of Uzbekistan in cooperation with international financial and credit institutions. Practical recommendations and proposals are developed to determine the country’s strategic approaches to establishing sustainable cooperation with international financial institutions.

Keywords: International financial and credit institutions, investment projects, financial cooperation, infrastructure development, efficiency analysis.

Introduction. In today’s globalization environment, effective cooperation with international financial and credit institutions is becoming increasingly important in achieving economic development, building infrastructure, developing social sectors, and building a competitive economy.

For developing countries, the financial resources, technical assistance, and advice provided by these institutions are becoming an important tool in accelerating economic reforms.

Since the early years of independence, the Republic of Uzbekistan has been establishing stable cooperation with international financial institutions such as the World Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, and the Islamic Development Bank.

Currently, a number of large projects have been implemented within the framework of this cooperation in energy, transport, water supply, healthcare, education, digital infrastructure, ecology, and other areas, and their economic effectiveness plays an important role in the process of national development. The large-scale reforms implemented in Uzbekistan in recent years, the goals set in the “New Uzbekistan – 2030” strategy, the Decree of the President of the Republic of Uzbekistan No. PF-158 dated September 11, 2023, require bringing cooperation with international financial institutions to a qualitatively new level. This creates the need for the rational attraction of international credit resources, their targeted and transparent use, increasing the socio-economic efficiency of projects, as well as improving investment activities based on international experience. This research study analyzes the main projects implemented in Uzbekistan in cooperation with international financial and credit institutions. It also covers the content of these projects, financing mechanisms, institutional approaches to implementation, their impact on economic sectors, as well as existing problems and solutions.

It serves as a scientific and practical basis for more effective organization of international financial cooperation policy in Uzbekistan, increasing the efficiency of resource use, and defining future strategic directions.

Analysis of literature on the topic

Cooperation with international financial and credit institutions is an integral part of the economic policy of modern developing countries. Within the framework of this cooperation, large-scale projects in infrastructure, energy, transport, education, healthcare and other areas create an

opportunity to achieve economic stability, accelerate the processes of modernization and diversification.

Foreign scholars, in particular, Rodrik D. and Subramanian A., have deeply analyzed the direct and indirect impact of international financial institutions on development, and they emphasize that projects financed by foreign loans accelerate institutional reforms in developing countries [1].

As analyzed by Sidorov A.V., projects in the field of healthcare and education implemented in Russia with the World Bank and the European Bank for Reconstruction and Development have served to deepen institutional reforms [2].

In Kazakhstan, R.M. Kazibekova emphasizes in her research that projects for the development of transport and logistics infrastructure implemented in cooperation with international financial institutions have made a significant contribution to increasing the country's transit potential [3].

Uzbek researchers have also been studying this topic in depth. In particular, A.A. Abdurakhmanov's scientific research systematically analyzed Uzbekistan's policy of cooperation with international financial institutions, the institutional environment and legal framework in this process [4].

N.S. Islamov analyzed the economic efficiency of large projects with the participation of international financial institutions and substantiated their positive impact on the real sector of the Uzbek economy [5].

In recent years, attention has been paid to projects in the "green economy", digital infrastructure and social spheres implemented in partnership with international financial institutions. The studies conducted by M.Kh. Tursunov and B.B. Jorayev scientifically examined the adaptation of these projects to the local socio-economic environment and risk management mechanisms in their planning [6].

The above analysis shows that cooperation with international financial institutions has become an important tool not only for attracting financial resources, but also for deepening economic reforms, forming a new management culture and harmonizing national strategies with international experience.

Research methodology

The research used methods of comparative analysis, logical analysis, systematic analysis, statistical grouping, synthesis, induction and deduction.

Analysis and results

From the first years of independence, Uzbekistan has chosen cooperation with international financial institutions (IFIs) as a strategic direction for achieving economic development and modernizing social infrastructure.

The policy pursued in this direction has served to modernize the national economy by attracting funds from international financial organizations, providing technical assistance, and implementing institutional reforms.

Uzbekistan has gradually developed cooperation with international financial institutions, initially focusing on restoring social infrastructure, and later on economic reform and private sector development. Today, this cooperation has become a strategic factor that is yielding significant results in sustainable economic growth, green energy, digital transformation, and social sectors (Table 1).

Major projects implemented in Uzbekistan in cooperation with international financial and credit institutions (by year and sector)

Table 1

№	Project Name	Year	Institute (IMCI)	Sector	Financing amount (mln. \$)
1	Rural Water Supply	1997	World Bank (WB)	Infrastructure	74
2	Road Infrastructure Development	2002	Asian Development Bank (ADB)	Transport	100
3	Education System Modernization	2007–12	JB	Education	30
4	Energy System Reconstruction	2009	OTB	Energy	150
5	Green Energy Project	2022–25	OTB	Energy	300
6	Digital Infrastructure Development	2023	JB	ICT	200

Table 1 shows major projects implemented in Uzbekistan in collaboration with international financial and credit institutions, which shows that Uzbekistan has implemented major projects in strategic sectors of the economy in collaboration with international financial and credit institutions over the years.

The first project was launched in 1997 with the participation of the World Bank in the field of rural water supply, and in subsequent stages the sectors of transport (2002), education (2007–2012) and energy (2009) were covered.

In recent years, in particular in 2022–2023, the “Green Energy” and “Digital Infrastructure” projects implemented in collaboration with the Asian Development Bank and the World Bank reflect the country’s new strategy for sustainable development and digitalization.

The volume of financing has also increased over the years, reaching 200 million US dollars for the ICT project in 2023. This indicates an expanding scale and scope of cooperation with the ICRC (Table 2).

Financial resources attracted from the IMCI funds in 2010–2024 (annually, million \$) ¹

Table 2

Year	World Bank	ADB	EBRD	IDB	Others	Total
2010	45	70	10	12	8	145
2015	60	85	25	18	15	203

¹ Jahon banki. O‘zbekiston bilan hamkorlik dasturi 2022–2026 yillar uchun. – Vashington: Jahon banki guruhi, 2022. – 84 b.

2018	75	110	50	22	20	277
2020	95	130	60	30	28	343
2022	120	150	70	40	35	415
2024	140	180	80	55	45	500

Table 2 shows the financial resources attracted at the expense of the IFI funds. Uzbekistan gradually expanded its cooperation with international financial and credit institutions between 2010 and 2024. In 2010, a total of 145 million US dollars were attracted, while in 2024 this figure reached 500 million US dollars. The largest part of the financing volume was provided by the Asian Development Bank (ADB) and The World Bank (WB) accounts for the largest share. The ADB's share has been growing steadily over the years, reaching \$180 million in 2024.

The funds allocated by the European Bank for Reconstruction and Development (EBRD) and the Islamic Development Bank (IDB) are also increasing consistently.

This trend indicates that the strategy of cooperation with the IMF is being pursued on a systematic and long-term basis, and the volume of financial resources is being directed towards economic reforms and investment projects (Table 3).

Distribution of projects financed by the IMCI by sector (as of 2024)

Table 3

№	Network	Number of projects	Total funding (millions of \$)	Share (%)
1	Energy	12	960	28
2	Transport	9	720	21
3	Social sphere	7	430	13
4	Digital infrastructure	5	380	11
5	Agriculture	6	350	10
6	Banking and finance	4	310	9
7	Others	3	250	8
8	Total	46	3400	100%

Table 3 shows the distribution of projects financed by the International Financial Institutions by sector (as of 2024). As of 2024, the bulk of projects financed by international financial and credit institutions fall on the energy (28%) and transport (21%) sectors. Significant funds have also been allocated to the social sphere, digital infrastructure and agriculture, their share is 13%, 11% and 10%, respectively (Table 4).

Key indicators achieved as a result of cooperation with the International Monetary Fund in Uzbekistan (by selected years)²

Table 4

² O'zbekiston Respublikasi Investitsiyalar, sanoat va savdo vazirligi. Investitsiya loyihalari monitoringi. – Rasmiy axborot, 2024. – №2. – B. 14–22.

№	Indicators	2010	2015	2020	2024
1	New electricity capacity (MW)	300	800	1200	1800
2	Number of areas with improved rural water supply	3	7	12	20
3	Modern roads built (km)	120	400	750	1100
4	Number of entrepreneurial projects	250	800	1600	2500

As can be seen from Table 4, the key indicators achieved as a result of cooperation with international financial institutions in Uzbekistan (2010–2024) Over the years, projects implemented in cooperation with international financial and credit institutions have led to significant qualitative changes in the economic and social development of Uzbekistan.

In particular: New electricity capacity in the energy sector increased from 300 MW in 2010 to 1,800 MW in 2024, which played an important role in meeting the energy needs of industry and the population.

The number of areas with improved rural water supply has also increased, from 3 areas in 2010 to 20 in 2024.

As a result of the development of transport infrastructure, 1,100 km of modern roads have been built, which has significantly improved internal logistics and trade relations.

In terms of supporting entrepreneurship, the number of funded projects increased 10-fold, reaching 2,500 in 2024.

Conclusion and suggestions

Our analysis shows that Uzbekistan's cooperation with international financial institutions (IFIs) has become more systematic in recent years. A number of infrastructure, social and innovative projects have been implemented in cooperation with such prestigious financial institutions as the World Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, and the Islamic Development Bank.

As a general conclusion, it should be noted that in the analysis of major projects implemented in Uzbekistan in cooperation with international financial institutions, it is advisable to put the following recommendations into practice:

- it is necessary to monitor the status of the project at each stage through electronic monitoring platforms, increase accountability;
- it is necessary to use regional needs analysis as the main criterion when creating new projects with IFIs;
- it is necessary to establish training in project management, financial audit and international tenders in cooperation with institutions such as the World Bank and ADB;
- at the end of each major project, an impact and efficiency assessment should be implemented by independent international and local experts;
- it is necessary to take into account the opinions of local communities, civil society and regional authorities when formulating project initiatives.



Cooperation with the MIC is an important source of ensuring systematic development in priority areas of Uzbekistan and strengthening socio-economic stability. Large infrastructure and human capital-oriented projects are directly aligned with the country's long-term development strategy.

References

1. Decree of the President of the Republic of Uzbekistan No. PF-158 of September 11, 2023. www.lex.uz.
2. Rodrik D., Subramanian A. The Primacy of Institutions over Geography and Integration in Economic Development // IMF Working Paper. 2003. No. 03/189.
3. Sidorov A.V. Influence of international financial institutions and modernization of the social sphere in Russia // Finance and credit. 2020. 8. S. 45-53.
4. Kazibekova R.M. Mejdunarodnoe finansovoe sotrudnichestvo Kazakhstan: dostizheniya and perspektivy // Ekonomika i predprinimatelstvo. 2021. 6. S. 118-122.
5. A.A. Abdurahmanov's right and institutional basis of cooperation with international financial institutions // Scientific information of Tashkent financial institute. 2022. 1.B. 35–42.
6. Islamov N.S. Analysis of the economic growth of projects implemented with the participation of international financial organizations // Economics and Innovation and Technology. 2023.2.B. 61–68.
7. Tursunov M.Kh. Increasing the participation of financial institutions in digital infrastructure projects // Journals of Digital Economy.2023. 4. B. 75–82.