



ISSUES OF STRENGTHENING COOPERATION RELATIONS BETWEEN REGIONAL FINANCIAL INSTITUTIONS AND UZBEKISTAN

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ABSTRACT

This article analyzes the topic of strengthening cooperation between regional financial institutions and our country. Among the regional financial institutions, the Asian Development Bank (ADB) has planned to implement several projects for Uzbekistan in the coming years. One of the major projects is the Uzbekistan railway electrification project, aimed at electrifying approximately 600 kilometers of railway lines in the country. This project will reduce our country's dependence on diesel fuel and increase the efficiency and reliability of the railway system. The total value of the project is 241 million dollars, with the ADB credit amounting to 189 million dollars. The implementation period for this project is set from 2022 to 2027. The main task of such funds is to support an acceptable level of debt in cases of pressure on payment balances and state budgets. The presented topic has been analyzed based on statistical data, and conclusions have been provided.

Keywords: Export, import, foreign trade turnover, liquidity, external debt, gross domestic product, gross national product, population.

Introduction

The Andijan-Rorp-Namangan-Fergana Gas Pipeline project aims to build a 217-km gas pipeline in the Fergana Valley. The project will increase the supply of natural gas to households and businesses in the region, which currently relies on expensive and polluting fuels such as coal and wood. The project is estimated to cost \$220 million, with an ADB loan of \$220 million. The project is scheduled to be implemented from 2023 to 2028. In addition, ADB plans to finance the Uzbekistan Secondary Education Improvement Project. The project aims to improve the quality of secondary education in the



country by modernizing schools, improving teacher training, and increasing access to technology and educational materials. The total project cost is \$200 million, with an ADB loan of \$200 million. The project is scheduled to be implemented from 2024 to 2029.

Research Methodology

The methodology of this article uses the methods of analysis and synthesis, scientific abstraction, generalization and comparative theoretical interpretation. The scientific basis of the study is the articles of local and foreign scientists published in scientific publications and their international research. In addition, the study also takes into account real economic indicators based on the analysis of statistical data, which increases the reliability of the research results and provides the possibility of their practical application.

Literature Review on The Topic

The organizational foundations of international financial organizations, an analysis of their large-scale allocations to the economies of developing countries in the world, as well as the favorable investment environment created by the development of our country's cooperation with international economic organizations, as well as mutual financial relations with international economic organizations. The main issue of the research work is the analysis of the current state of relations. The issues of the organizational foundations, significance and activities of regional financial organizations are discussed by foreign economic scientists such as Reiter Wolff, Kathrin Berensmann, A. A. Moiseev, R. J. Montiel, Jeff Madura L. N. Krasavina, S. R. Moiseev, Herbert Golson, Mukesh Ralhan, International Monetary Fund experts David Marston, Jonathan Ostry found their reflection in the scientific works of Kabila. Among the economists of our country are A. Vakhobov, U. Burkhanov, N. Jumayev, J. Ataniyazov, E. Alimardonov, G. Nazarova, I. Ahmedov, O. The scientific works of B. Khamidov and Z.M. Iminov studied the activities of international financial organizations and certain issues of international relations.

Analysis And Results

The Islamic Development Bank (IDB) also plans to finance several projects in Uzbekistan in the coming years. One of the major projects is the "Development of Rural Areas and Neighborhoods" project, which aims to improve the living standards of rural residents in Uzbekistan. The project will finance the construction of infrastructure such as roads, water supply systems and health facilities. The total cost of the project is \$150 million, with the IDB loan amounting to \$150 million. The implementation period for this project is set from 2022 to 2027.



Table 1. Projects planned to be implemented in cooperation with the Asian Development Bank and Uzbekistan

Project name	Network	Loan amount (USD)	Implementation period
Modernizing the road network to improve connectivity	Transportation	250 million	2023
Expanding COVID-19 vaccination	Health care	300 million	2023
Improving water supply and sanitation in Tashkent region	Water and sewerage	500 million	2024
Supporting regional cooperation and integration through cross-border energy trade	Energy	100 million	2025
Modernization of first aid services	Health care	150 million	2025

Another notable project is the “Water Resources Management and Irrigation” project, which aims to improve the country’s irrigation system and increase the efficiency of water use in agriculture. This project will help mitigate the impact of climate change on agriculture and increase the country’s food security. The project is estimated to cost \$200 million, with an IDB loan of \$200 million. The project is scheduled to be implemented from 2023 to 2028.

Table 2. Projects planned to be implemented in cooperation with the Islamic Development Bank and Uzbekistan

Project name	Project purpose	IDB loan amount	Implementation period
Rural and community development	\$150 million	\$150 million	2022-2027
Water resources management and irrigation	\$200 million	\$200 million	2023-2028
Technical and Vocational Education and Training (TEKET) Program	\$120 million	\$120 million	2024-2029

In addition, IDB plans to finance the Technical and Vocational Education and Training Program. This program aims to provide vocational education and training to young people in Uzbekistan, helping them acquire the skills needed for the country's growing labor market. The total cost of the project is



\$120 million, and the IDB loan amount is \$120 million. The implementation period of this project is from 2024 to 2029. The European Bank for Reconstruction and Development (EBRD) has been a key partner in Uzbekistan's economic development since Uzbekistan gained independence in 1991. The Bank has provided significant assistance to various sectors of the Uzbek economy, including energy, infrastructure, and small and medium-sized businesses.

Table 3 Projects planned to be implemented in cooperation with the European Bank for Reconstruction and Development and Uzbekistan

Project name	Project purpose	EBRD loan amount	Implementation period
Supporting public utilities in Uzbekistan	€200 million	€100 million	2022-2026
Sustainable agriculture and rural entrepreneurship	€120 million	€50 million	2023-2027
Modernization of the Tashkent Metro	€400 million	€300 million	2023-2028
Expanding financing opportunities for small and medium-sized enterprises	€150 million	€75 million	2024-2029
Developing tourism in Uzbekistan	€300 million	€100 million	2025-2030
Improving urban transport and communication	€250 million	€200 million	2026-2031
Upgrading water and wastewater infrastructure	€350 million	€250 million	2027-2032

The results of this analysis show that in the future, the European Bank for Reconstruction and Development (EBRD) plans to invest in Uzbekistan in projects such as improving urban transport and connectivity, upgrading water and wastewater infrastructure, and developing tourism. It plans to continue supporting Uzbekistan's development goals. In 2021, the bank approved a new strategy aimed at supporting private sector development, supporting the transition to a green economy, and strengthening regional ties. One of the EBRD's key priorities in Uzbekistan is to support private sector development. The bank plans to support the growth and development of small and medium-sized businesses through financing, advisory services, and policy dialogue. The EBRD also aims to improve the investment climate in the country and strengthen corporate governance practices. Another important area of focus for the EBRD in Uzbekistan is supporting the transition to a green economy. The Bank plans to support the country's efforts to reduce greenhouse gas emissions and develop renewable energy sources. This includes financing energy efficiency projects, supporting the development of renewable energy sources, and supporting the development of green financial instruments.



The EBRD also aims to strengthen regional connectivity in Uzbekistan. This includes supporting the development of transport infrastructure, such as railways and roads, to improve regional trade and integration. The Bank also plans to support the development of cross-border energy infrastructure to improve energy security and regional cooperation. Overall, the EBRD's future projects in Uzbekistan demonstrate its commitment to promoting sustainable and inclusive growth in the country. The Bank's support for private sector development, green investment, and regional connectivity will help Uzbekistan achieve its development goals and contribute to regional integration and stability.

CONCLUSION

In summary, the nature of the relationship between Uzbekistan and regional financial institutions may vary depending on the specific institution and the nature of their activities. For example, institutions such as the EBRD may focus on supporting regional economic integration and infrastructure development, while the IDB may focus on supporting Islamic finance and private sector development. Overall, the future relationship between Uzbekistan and regional financial institutions will be characterized by a continued commitment to cooperation and partnership in support of the country's economic growth and development goals. However, the precise nature of this relationship will depend on a number of factors, including the country's policy priorities, economic conditions, and the priorities and activities of the institutions concerned.

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