

PUBLIC-PRIVATE PARTNERSHIP, INVESTMENTS, AND LEGAL FRAMEWORK IN UZBEKISTAN: RECENT DEVELOPMENTS

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This article provides detailed information on public-private partnerships (PPP), investments, and legal frameworks in Uzbekistan. It analyzes PPP legislation, investment climate, ongoing projects, existing challenges, and future prospects. The paper highlights Uzbekistan's efforts towards economic development and infrastructure modernization through PPP mechanisms, focusing on key sectors such as energy, transport, healthcare, and education. It also discusses the legal foundations of PPP in Uzbekistan, recent improvements in the investment environment, and the government's strategies for future development.

Keywords: *public-private partnership, investments, legal framework, economic development, infrastructure, energy, transport, healthcare, education, foreign investments.*

Introduction. In recent years, Uzbekistan has been actively reforming its economy and legislative framework to attract foreign investments and develop public-private partnerships (PPP). These reforms are an essential part of the country's economic development strategy, aimed at strengthening cooperation between the public and private sectors, modernizing infrastructure, and diversifying the economy.

Legal Framework for PPP in Uzbekistan. The main document regulating PPP activities in Uzbekistan is the Law "On Public-Private Partnership" No. LRU-537, adopted on May 10, 2019 (Law of the Republic of Uzbekistan, 2019). This law provides the primary legal basis for implementing PPP projects in the country. Key aspects of the law include the concept and forms of PPP, rights and obligations of public and private partners, procedures for implementing PPP projects, and guarantees for private investors.

The law is supplemented by various government resolutions and regulatory documents, such as the Cabinet of Ministers Resolution No. 259 dated March 26, 2020, "On measures to implement the Law of the Republic of Uzbekistan 'On Public-Private Partnership'" (Resolution of the Cabinet of Ministers, 2020). This resolution establishes the procedure for selecting, evaluating, and approving PPP projects.

Uzbekistan has drawn on international experience in developing its PPP legislation, particularly the model laws recommended by the United Nations Commission on International Trade Law (UNCITRAL) and the World Bank's recommendations on PPP. This alignment with international standards has helped strengthen Uzbekistan's legislative framework in the PPP sector.

Investment Climate and PPP. Uzbekistan is taking significant steps to improve its investment climate, which directly affects the attractiveness of PPP projects. The Law "On Investments and Investment Activities" No. LRU-598, adopted on December 25, 2019, replaced previous investment laws and introduced new guarantees and privileges for investors (Law of the Republic of Uzbekistan, 2019b).

The new legislation includes important improvements such as equal treatment for foreign and domestic investors, protection against nationalization, free profit repatriation, and tax incentives for large investments. Moreover, the Presidential Decree No. 60 dated January 28, 2022, “On the Development Strategy of New Uzbekistan for 2022-2026” outlined specific measures to further improve the investment climate (Decree of the President of the Republic of Uzbekistan, 2022).

These changes have significantly enhanced Uzbekistan’s investment attractiveness. According to the Ministry of Investments and Foreign Trade of Uzbekistan, the volume of foreign direct investments in Uzbekistan in 2022 amounted to \$8 billion, which is 26% more than in 2021 (Ministry of Investments and Foreign Trade, 2023).

The Uzbek government is creating special mechanisms to support PPP projects. In particular, the Agency for the Development of Public-Private Partnership has been established under the Ministry of Finance of Uzbekistan. This agency works directly with government bodies to assist them in developing, evaluating, and implementing PPP projects.

PPP Projects and Sectors. The Uzbek government has identified several priority areas for PPP projects. These include energy (especially renewable energy), transport infrastructure, healthcare, education, and water supply and sanitation.

Significant achievements have been made in the energy sector. In March 2022, the \$1.2 billion Syrdarya thermal power plant project with ACWA Power (Saudi Arabia) reached financial closure (ACWA Power, 2022). This project is one of the largest PPP projects in Uzbekistan’s energy sector.

Several projects are also being implemented in the renewable energy sector. For example, construction of a 100 MW solar power plant in Navoi region by Abu Dhabi Future Energy Company PJSC (Masdar) began in 2021 (Masdar, 2021).

Important PPP projects are also being implemented in the transport sector. In May 2023, a memorandum was signed between the Ministry of Transport of Uzbekistan and India’s Indorama Corporation for the construction of a light rail transit (LRT) system in Tashkent (Ministry of Transport, 2023).

PPP mechanisms are also actively used in the healthcare sector. In 2022, the Ministry of Health of Uzbekistan announced a PPP project for the provision of dialysis services (Ministry of Health, 2022).

PPP projects are also being implemented in the education sector. According to the Ministry of Preschool and School Education of Uzbekistan, as of early 2023, 141 schools were operating on a PPP basis (Ministry of Public Education, 2023).

Challenges and Future Prospects. Despite the achievements, Uzbekistan faces several challenges in fully realizing its PPP potential. These include limited experience in complex PPP transactions, the need to further enhance capacity in government institutions, and the necessity to increase transparency and reduce bureaucracy.

To address these issues, the government is cooperating with international financial institutions. For example, the Asian Development Bank (ADB) is providing technical assistance to strengthen the PPP mechanism and develop a list of bankable projects (Asian Development Bank, 2021).

The Uzbek government plans to actively develop PPP projects until 2026. According to the Ministry of Investments and Foreign Trade of Uzbekistan, it is planned to implement more than

40 large PPP projects with a total value of over \$14 billion by 2026 (Ministry of Investments and Foreign Trade, 2023).

However, to successfully implement PPP projects, a number of measures need to be taken, including further improvement of the legislative framework in the PPP sector, organizing regular training programs for government officials, implementing administrative reforms aimed at simplifying PPP project preparation and implementation processes, developing local financial markets to finance PPP projects, and introducing modern information technologies to ensure transparency and accountability in the implementation of PPP projects.

Conclusion. Uzbekistan has made significant progress in creating a favorable legal and investment environment for PPP. The special PPP law, improved investment climate, and the government's commitment to infrastructure development present promising opportunities for both local and international investors.

In recent years, a number of successful PPP projects have been implemented in sectors such as energy, transport, healthcare, and education. These projects serve to modernize the country's infrastructure, improve the quality of services, and ensure economic growth.

However, efforts need to be continued to enhance capacity and simplify processes for successful implementation of PPP projects. International cooperation and exchange of experience play an important role in this regard.

The Uzbek government's plans to actively develop PPP projects until 2026 provide an opportunity to further increase the country's economic potential and attract foreign investments. This, in turn, will lead to sustainable economic growth and improved living standards for the population.

Overall, the development of PPP mechanisms in Uzbekistan creates great opportunities for the country's economic growth, infrastructure modernization, and improvement of living standards. More achievements in this area are expected in the coming years.

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ГОСУДАРСТВЕННО-ЧАСТНОЕ ПАРТНЕРСТВО, ИНВЕСТИЦИИ И ПРАВОВАЯ БАЗА В УЗБЕКИСТАНЕ: ПОСЛЕДНИЕ СОБЫТИЯ

Данная статья предоставляет информацию о государственно-частном партнерстве (ГЧП), инвестициях и правовой базе в Узбекистане. Анализируются законодательство в сфере ГЧП, инвестиционный климат, текущие проекты, существующие проблемы и перспективы развития. Освещаются усилия Узбекистана по экономическому развитию и модернизации инфраструктуры через механизмы ГЧП, с акцентом на ключевые секторы, такие как энергетика, транспорт, здравоохранение и образование.

Ключевые слова: *государственно-частное партнерство, инвестиции, правовая база, экономическое развитие, инфраструктура, энергетика, транспорт, здравоохранение, образование, иностранные инвестиции.*