

THE ROLE OF PRIVATE SECTOR INVESTMENT IN FINANCING GREEN INNOVATIONS

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Abstract: This article analyzes the role and importance of private sector investments in the process of financing green innovations. In the context of a green economy, the issues of attracting private capital to environmental projects, improving the investment climate, and improving public-private partnership mechanisms are considered. Based on foreign experience, the effective allocation of financial resources in the development of green technologies and incentive factors for investors are analyzed.

Keywords: green innovations, investment, private sector, financing, public-private partnership, sustainable development, green economy.

In the global economic system, the issues of ensuring environmental sustainability and energy efficiency are becoming increasingly urgent. The development of green technologies requires a large amount of financial resources, but the state budget cannot fully cover this need. Therefore, the active participation and investment activity of the private sector play an important role in the sustainable development of the green economy.

The experience of developed countries shows that state-business cooperation, a transparent investment environment, and tax incentives play an important role in financing environmental innovations. Adapting this experience is also an urgent issue for Uzbekistan. In this regard, President Shavkat Mirziyoyev met with an influential delegation of leaders of leading companies from Saudi Arabia on October 15.

Within the framework of the implementation of high-level agreements, urgent issues of further expansion of Uzbek-Saudi multifaceted cooperation and large-scale partnership were considered. It was noted with great satisfaction that fruitful cooperation is developing rapidly. Contacts at all levels have become more active. The volume of mutual trade, direct investments and the number of joint ventures are increasing. Air traffic between the two countries has increased.

The portfolio of joint projects has reached \$ 27 billion. A number of large projects worth \$ 15 billion are being implemented in the energy sector with the company "ACWA Power". At the same time, since the beginning of this year, Saudi investments worth \$ 2 billion have been absorbed in our country. The volume of mutual trade is steadily increasing. The number of air flights has exceeded 60 times a week.

The effective results of the next meetings of the Intergovernmental Commission and the Business Council held in Tashkent, as part of which new agreements and contracts were signed, were highly appreciated.

Particular attention was paid to the timely implementation of projects and initiatives in the fields of "green" energy, agriculture, electrical engineering, real estate, modernization of infrastructure in the regions of our country and other priority areas.

The laying of the foundation stone for the construction of the new Tashkent International Airport, a historic project that is another vivid evidence of the effective and long-term partnership between the two countries, was highlighted.

- We always highly appreciate our Saudi partners, who make a significant contribution to the economic transformation and development of Uzbekistan, - said the President.

The leader of Uzbekistan, indicating the priority areas for further development of cooperation, noted that projects in the energy sector are of particular importance. Today, ACWA Power is implementing projects worth \$ 15 billion in our country, including the construction of wind and solar power plants in the regions, and the development of "green" hydrogen.

The widespread use of products from our manufacturers in such projects will contribute to the development of our industrial potential.

Particular attention was paid to strengthening cooperation in the field of information technologies and artificial intelligence. The Data Volt company is successfully implementing a project to create a modern data center in Tashkent. Readiness was expressed to support the construction of such centers in New Tashkent and Bukhara, as well as the participation of Saudi Arabian companies in digital initiatives.

Uzbekistan has large reserves of tungsten, molybdenum, magnesium, lithium, graphite, titanium and other strategically important minerals.

The "Future Metals Technopark" will be created in Tashkent and Samarkand regions, and the production of high-value-added products will be launched.

In this regard, the leader of our country invited Saudi investors to actively participate in projects in all processes, from conducting geological exploration and extraction of raw materials to its processing and production of finished products. In the infrastructure sector, it was noted that successful cooperation is being carried out with the "Miahona" company on projects for wastewater treatment in the cities of Fergana and Jizzakh, development of water supply systems in Karakalpakstan and modernization of pumping stations. Agreements were also reached with the "Saudi Tabreed" company on the development of the utility sector. In turn, representatives of leading business circles of Saudi Arabia highly appreciated the economic policy, stable growth and favorable investment climate of New Uzbekistan and outlined plans to further deepen mutually beneficial partnership in our country, promote specific projects and programs.

1. The need to finance green innovation and the role of the private sector.

Green innovations are innovations that provide environmentally friendly technologies, renewable energy sources, waste-free production and rational use of resources.

Their implementation requires significant investments, so private capital is becoming an integral part of this process.

The main roles of the private sector in financing are:

- financial support for new green startups and innovative projects;
- risk sharing in the development and commercialization of environmental technologies;
- creation of investment infrastructure (for example, green bonds and environmental funds);
- cooperation with international financial institutions.

For example, in the European Union, within the framework of the Green Deal Investment Plan, the private sector's contribution is 60 percent of the total financing. Based on this model, there are opportunities in Uzbekistan to stimulate green investments through private capital.

2. Opportunities for financing green projects in Uzbekistan.

The "Strategy for Transition to a Green Economy" adopted in Uzbekistan in 2019 has created an important legal framework in this direction. The strategy stipulates attracting private investors to environmental projects, improving financial mechanisms, and focusing on sustainable development projects.

Today, the country has positive experiences in the following areas:

- Participation of international private companies in solar and wind energy projects (for example, the "Masdar" and "ACWA Power" projects);
- Support for small businesses through a system of green loans;
- Implementation of environmental infrastructure projects based on public-private partnerships (PPPs).

At the same time, there are some problems: insufficient tax incentives for the private sector, an underdeveloped green bond market, and a low level of information openness for investors. Therefore, institutional reforms are needed in this area.

Based on scientific considerations on stimulating the private sector, the following proposals can be put forward:

1. Expanding the tax incentives and grant system. Providing tax breaks, subsidies and state guarantees to enterprises engaged in green technologies;
2. Forming a green bond market. Through them, attracting long-term capital to finance environmental projects;
3. Strengthening public-private partnerships. Implementing large energy and waste processing projects on the basis of PPPs;
4. Increasing financial transparency. Providing investors with accurate financial information, establishing a monitoring system for green projects;
5. Educational and consulting support. Expanding knowledge of environmental financing and the green economy among representatives of the business sector.

These measures will not only ensure environmental sustainability, but also increase the competitiveness of the national economy.

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