

DEVELOPMENT PROBLEMS AND PROSPECTS OF PUBLIC-PRIVATE
PARTNERSHIP IN UZBEKISTAN

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Abstract: *The article mainly describes the development problems and prospects of public-private partnerships in the current modern economy and their specific features in the economic sectors. The article analyzes the advantages and disadvantages of the mechanism of public-private partnership in the conditions of our country, the opportunities and threats of its introduction, the practice of implementing projects and their features are revealed. Also, directions for the consistent implementation of a number of necessary steps to encourage the use of the public-private partnership mechanism in the near future are scientifically based.*

Key words: *public-private partnership, public-private partnership project, regulatory documents, private financial initiative model, special financial companies.*

The measures and institutional reforms implemented in our country to liberalize the economy help to improve the investment environment and increase the number of foreign and domestic investors.

At the same time, the problems and shortcomings accumulated in the sectors of the economy and the social sphere, which are traditionally owned and managed by the state, require taking important measures to accelerate the introduction of the public-private partnership (hereinafter referred to as PPP) system is doing.

The state monopoly in social and communal areas, urban planning and beautification, road construction, and energy reduces the quality of goods production and service provision, and the efficiency of using state funds.

The legal and institutional framework defining the principles, conditions and directions of PPP development, as well as mechanisms for assessing the impact of financial, technical and commercial risks on the budget system in the medium and long term, have not been developed.¹

Therefore, in order to create a favorable environment for the implementation of PPP projects in Uzbekistan, it is necessary to improve the legislative base, adopt a number of new regulatory documents and make changes to the existing documents.

The Law "On Concession" today requires revision and improvement in a new version, taking into account the following reasons:

- firstly, the range of concessionaires is limited to foreign investors, which limits the opportunity of local entrepreneurs to participate in potential PPP projects;
- secondly, although the law defines economic activity as the subject of a concession, it strictly connects the types of economic activity with existing material

assets (property, land plots and underground resources), concession and the modern point of view is that the state grants a private firm the right to carry out economic activities under conditions of imperfect competition (the concessionaire has a certain "market power");

- thirdly, the law limits the duration of the concession contract to 15 years (50 years in the generally accepted standard), which limits the conclusion of contracts for large objects with long payback periods.

International experts rate the level of selection of concessionaires, implementation and termination of such agreements relatively low. In general, within the framework of legislation on concession issues, development of state support measures, methods of formation of tariffs for concessionaire services, development of a concession model for the transfer of existing state property to a concession, objects that cannot be transferred to a concession. It is necessary to revise the list, as well as expand the areas of application of the concession by introducing its new models.

In the Republic of Uzbekistan, there may be difficulties in the "securitization" of such projects, that is, the issuance of financial instruments put on sale for them, which hinders the attraction of large amounts of foreign investments. National financial markets are at an early stage of development and will not be able to solve the problem of attracting financial funds to infrastructure in the near future, while international investors should receive reliable guarantees of investment returns. The prospects of DSC in the Republic of Uzbekistan depend on the ability and willingness of private investors to invest in the country's infrastructure network.

In addition, in accordance with the Civil Code of the Republic of Uzbekistan, based on international practice, contractual relations on the transfer of state property to the trust management and lease of state property were established.

This contractual relationship does not fully apply to PPP contracts, the reason for which is that they do not have the obligation to enter into long-term contracts with the sharing of risks between the public and private parties, and to perform competitive procedures for the selection of a private partner.

In this regard, in order to recognize the transactions as transactions under the PPP mechanism within the framework of the civil legislation of the Republic of Uzbekistan, it is required to make certain amendments to the normative legal documents regulating the project planning process, to conduct a competition for the conclusion of the PPP contract and to manage the implementation of the projects.

There are problematic issues in the section of networks. That is, large private investments in infrastructure are mainly limited to the telecommunications sector, which is considered the most dangerous for investors. During the implementation of large-scale projects, conflicts arise between the parties, related to the cancellation of agreements reached and the exclusion of private investors and operators from cooperation. Micro-level projects are easier to implement and generate significant

income, but remain isolated initiatives that are unable to fundamentally improve the situation in the country's utilities.

When considering the issue of water supply and water management, the PPP mechanism has been used for a long time in the field of water supply and sanitation, but it faces serious difficulties in implementation.

In the conditions of our republic, three models of water supply are used in the field of water supply: 2

1. "Dutch model" - stockization of a state enterprise, as a result of which a business entity with a state share is established. A profit-oriented joint-stock company is a private company operating on the basis of a limited liability company-commercial (perhaps on a contractual basis) and a part of the shares is owned by government organizations that tend to work on a political basis.

2. The "French model" - in this model, the state is responsible for the shared assets, while the private sector is responsible for management, which may include concession contracts, leasing, service contracts and management contracts. liq provides comprehensive services, which is organized as a private delegation management.

3. The "British model" - full implementation of assets on a large scale, is often compared to "privatization". It includes the private sector, owns existing enterprises, including all assets and land - utilities become private companies, regulated by the state for control and support.

It is important to note that approaches can be mixed and chosen depending on the needs of the sector, and whatever approach is chosen for PPP, it should be regulated by the government to ensure the quality of service and fair pricing.

At the same time, at this stage of development, the second model will be more convenient, since water resources in our republic have a strategic and social nature, which should remain under state control.

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