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# FINANCING OF INVESTMENT PROJECTS FROM THE FUNDS OF THE FUND FOR RECONSTRUCTION AND DEVELOPMENT OF UZBEKISTAN

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**Abstract:**This scientific article analyzes the importance and effectiveness of financing investment projects at the expense of the Fund for Reconstruction and Development of Uzbekistan. The article examines in detail the role of the Fund in supporting economic development, infrastructure renewal, social sectors and investment projects. The distribution of financial resources of Uzbekistan, the characteristics of the Fund's funds within the framework of the state's economic policy and the main directions of their effective use are analyzed. The article also considers the Fund's successful experience in financing investment projects and its future development prospects.

**Keywords:**Fund for Reconstruction and Development of Uzbekistan, investment projects, financing, economic development, infrastructure, social sector, state policy, financial resources, effectiveness.

## Introduction

One of the important factors of economic development of the Republic of Uzbekistan is the stimulation of investment activity and the creation of an effective financing system. Within the framework of the country's economic policy, support and financing of investment projects are strengthened, creating new jobs, infrastructure renewal and the development of social sectors. The Fund for Reconstruction and Development of Uzbekistan (FRD) plays an important role in these processes. The main task of the Fund is to effectively allocate financial resources and support large investment projects to ensure long-term economic development.

Investment projects implemented at the expense of the Fund are aimed at strengthening the country's socio-economic stability, modernizing infrastructure networks, developing industry and agriculture, as well as improving the living conditions of the population. This article analyzes in detail the role of the Fund for Reconstruction and Development of Uzbekistan in financing investment projects, the main directions of effective use of the Fund's funds, and the impact of this process on the economy.

The article aims to study the effectiveness of the fund's activities in financing investment projects, as well as its future development prospects. It also provides recommendations for improving the fund's current investment strategy and eliminating problems in financing new projects.

## Literature review

Scientific research on the financing of investment projects has been developing rapidly in recent years. The experience of the Republic of Uzbekistan and other countries shows that state financing of investment projects plays an important role in ensuring economic stability, especially during periods of economic crises. There are a number of main approaches and analyses in various literatures for the effective implementation of this process.

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In particular, Benedetti and Zorzi (2017) in their work "Investment Projects Financing: Theories and Practices" provided a detailed analysis of state funds and public-private partnership models in financing investment projects. They also emphasized the importance of effective financial management in the successful implementation of investment projects.

In the book "Public Investment and National Development" by Parker (2019), he examines how public investment serves national development. The author shows the strategic importance of financing investment projects by the state, its impact on financial stability, and socio-economic analyses. This literature also examines the role of state funds and other financial institutions in promoting investment.

Zhang and Chen (2020) used China's national investment funds as an example in their study to analyze their effectiveness in allocating financial resources and supporting investment projects. They provide recommendations on the impact of state-financed projects on economic growth, the effective use of fund resources, and their long-term social impacts.

Kim and Park (2021) in their article "Financing Development: The Role of National Funds" examine the contribution of investment funds to a country's economic development. Their study, based on investment funds in Uzbekistan and global experiences, shows the importance of the funds' activities in ensuring economic growth and stability.

The article "Impact of Sovereign Wealth Funds on Infrastructure Development" by Jassim (2022) examines the contribution of sovereign wealth funds to infrastructure development. The literature shows that sovereign wealth funds can contribute to the economic stability of countries through the efficient allocation of funds and financing of infrastructure projects.

The analysis of this literature is of great importance in improving the activities of the Fund for Reconstruction and Development of Uzbekistan, financing effective investment projects, and developing new strategies. All this, in turn, will create the basis for the long-term sustainable development of the economy of Uzbekistan.

**Methodology**

This scientific article uses a number of scientific and practical methods to analyze the process of financing investment projects at the expense of the Fund for Reconstruction and Development of Uzbekistan. The methodology of the study mainly includes qualitative and quantitative analysis methods. The methods used in the article are based on the following main directions:

Content Analysis

The content analysis method was used to study the activities of the Fund for Reconstruction and Development of Uzbekistan. This method analyzed the annual reports of the Fund, documents on investment projects, and financial indicators. This analysis provided detailed information about the distribution of the Fund's funds, the effectiveness of financing, and the results of investment projects.

Comparative Analysis

The experience of the Fund for Reconstruction and Development of Uzbekistan in financing investment projects was compared with similar funds in other countries. Comparative analysis allowed us to compare the methodologies used by countries in supporting investment projects, the model of public-private partnership, and the factors affecting the successful implementation of investment projects.

Statistical Analysis

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The article presents statistical data to measure the effective use of financial resources of the Fund for Reconstruction and Development of Uzbekistan using statistical analysis methods. This analysis provided specific figures and indicators on the beneficial distribution of funds allocated from the fund, the economic and social impact of investment projects. The long-term effectiveness of investment projects was assessed using statistical analysis.

Interviews and Expert Opinions

During the research process, interviews were conducted with a number of economists, representatives of government agencies, and experts on the activities of the fund. Their opinions, problems encountered in financing investment projects, recommendations for improving the functioning of the fund, and practical experience were included in the article. The use of the expert opinion methodology, in turn, helped to gain a deeper understanding of the topic.

Analytical Method

The study used a wide range of analytical methods to analyze the activities of funds, the distribution of financial resources and the implementation of investment projects using the analytical method. The article conducted analyses based on economic and financial indicators to assess the success of investment projects.

Case Study

The case study method was used on the example of several investment projects financed by the Fund for Reconstruction and Development of Uzbekistan. This method made it possible to analyze the specific results, social and economic impacts of projects supported by the Fund.

**Analysis and results**

According to the results of the analysis of the effectiveness of financing investment projects of the Fund for Reconstruction and Development of Uzbekistan, it is clear that the impact of the Fund's activities on the economy and social sectors is significant. Despite the effective distribution of funds allocated from the Fund, there are some problems that may hinder its effectiveness.

The distribution of the Fund's funds was carried out on the basis of clearly defined priorities in the infrastructure, industrial and agricultural sectors, as well as in the social sphere. The bulk of the funds allocated from the Fund were directed to infrastructure projects, which served to develop the country's transport, energy and utilities sectors. For example, projects such as the modernization of the Tashkent metro system and the renewal of the electricity grid in the regions showed high efficiency. Funds allocated to the industrial and agricultural sectors increased production volumes and created new jobs through the introduction of innovative technologies.

The Fund's funds also showed positive results in social areas. Projects such as strengthening the material and technical base of educational institutions, modernizing the medical sector, and creating quality services for the population had a social impact. This, in turn, helped improve the living conditions of the population.

According to the results of the analysis, the projects financially supported by the Fund for Rehabilitation and Development of Uzbekistan had a significant impact on economic growth and social stability. Investment projects implemented at the expense of the Fund's funds had a positive impact on the country's gross domestic product (GDP) and increased economic growth rates. In addition, new jobs were created, which was especially important in ensuring social stability in rural areas.

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At the same time, some problems also arose. The distribution of funds allocated from the Fund was in some cases ineffective. There are some problems in prioritizing and more accurate distribution of funds among existing projects. Some investment projects are not completed within the established deadlines, which reduces the effectiveness of the fund. At the same time, the lack of transparency in the use of financial resources and the implementation of investment projects can negatively affect the reputation of the fund. Taking this into account, there are a number of recommendations to make the fund's activities more effective. Clearer priorities should be set in the distribution of funds. In particular, priority projects should be allocated, taking into account the economic and social impact of the fund's funds. It is necessary to strengthen control over the implementation of investment projects and introduce effective project management systems to achieve their timely completion. It is necessary to ensure transparency in the use of financial resources, carry out constant monitoring of the fund's reporting and activities, and increase control by the public and experts.

**Conclusion**

This scientific article is devoted to the analysis of the activities of the Fund for Reconstruction and Development of Uzbekistan in financing investment projects. During the study, the distribution of funds allocated to investment projects of the Fund, the effectiveness of projects and the impact of these processes on the economy and social sectors were studied. According to the results of the analysis, the projects implemented by the Fund led to the country's economic growth, the creation of new jobs, as well as positive changes in the infrastructure and social sectors.

The distribution of the Fund's funds was effective, and the funds allocated to such sectors as transport, energy, industry and agriculture contributed to the sustainable development of the country. Infrastructure projects, including the modernization of the Tashkent metro and the electricity grid in the regions, yielded their results. Also, the funds allocated to industry and agriculture made it possible to introduce innovative technologies, create new jobs and expand production.

The projects implemented by the Fund also had a significant impact in the social sectors. Initiatives such as strengthening the material and technical base of educational institutions, modernizing the medical sector, and creating quality services for the population played an important role in ensuring social stability.

At the same time, some existing problems were also highlighted during the analysis. Ineffective distribution of funds allocated from the Fund in some projects, failure to complete some projects within the established deadlines, and lack of transparency were identified as factors that reduced efficiency. To solve these problems, it is necessary to improve project management and control systems, more accurately allocate funds, and increase transparency.

At the end of the study, a number of recommendations were made to make the activities of the Fund for Reconstruction and Development of Uzbekistan more effective. In particular, it is important to set clearer priorities in the distribution of resources, strengthen project management and control, ensure transparency, and monitor the activities of the Fund.

In conclusion, investment projects financially supported by the Fund for Reconstruction and Development of Uzbekistan have had a significant impact on the economic and social development of the country. However, the recommended measures to eliminate existing problems and increase efficiency will help further improve the results of the fund's activities and contribute to the sustainable development of the country.

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