



USE OF PUBLIC PRIVATE PARTNERSHIP IN THE IMPLEMENTATION OF PUBLIC POVERTY REDUCTION PROGRAMS

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ABSTRACT

The article reveals the possibilities and problems of using public-private partnerships in the implementation of state programs to reduce poverty. In the implementation of state programs to reduce poverty, problems are associated, first of all, with the lack of financial resources of public funds. Today, cooperation between the public and private sectors forms an effective mechanism for attracting investments aimed at ensuring economic growth and reducing poverty.

KEY WORDS

State budget, state programs, public-private partnership, tax mechanism, initiative budget, sources of financing, poverty, entrepreneurship, small business, public policy, economic growth, financial policy, social benefits, financial assistance, social policy, poverty line, human well-being, development strategy.

Introduction

The steady growth of the population and the problem of poverty in Uzbekistan require the use of public-private partnerships and financial market instruments in the implementation of state programs. At a time when new economic relations are gradually taking shape in the modern national economy and are gradually becoming integrated into the global community, there is a need for structural changes and closer cooperation between the state and private sectors.

A new, effective structure such as public-private partnerships (PPPs) plays a key role and is one of the main directions for attracting private capital to various sectors of the economy. Public and private business the growing interest in this mutual cooperation between the public and private sectors in many countries allows to effectively solve major social and economic problems by combining the resources of the public and private sectors. is explained by giving.

Research methods (Methods)

The article uses the methods of analysis, synthesis, induction and deduction, abstract-logical analysis, econometric models, comparison, correlation and regression, and economic and financial analysis.

Results

Poverty reduction requires improving the living standards of the population, providing comfortable living conditions, and providing food products at affordable prices, which in turn is explained by the need to find solutions to environmental problems. According to the Ministry of Water Resources of the Republic of Uzbekistan, “by 2030, Uzbekistan will lack 7 billion cubic meters of water” [1].

According to forecasts by the German analytical statistics company Statista, by 2040, 44 countries around the world will experience extremely high levels of water scarcity[2], including Central Asian countries.

In solving the problem of poverty, the lack of financial resources and, through them, water shortages are creating problematic situations in the agricultural sector, resulting in the import of meat, potatoes, oil products, sugar products, regularly increasing, avoiding energy collapses, demand to accelerate the process of transition to a green economy in our country and to find ways to attract additional financial resources.

A "green" economy, unlike an economy based on the consumption of natural resources, allows for short-term growth in gross domestic product, per capita employment, and income at the same or higher rates than a resource-based economy. In the long term, it can improve the state of the natural environment and reduce social inequality.

The problems of social protection, poverty reduction, environmental protection, and the implementation of ecological projects are primarily related to the lack of financial resources of both state funds and private business. Today, public-private partnership forms an effective mechanism for attracting investments aimed at social protection, poverty reduction, and ensuring "green" economic growth. In addition, three main sectors have the largest share in the implementation of Public-Private Partnership (PPP) projects aimed at "green" economic growth: drinking water supply and sanitation, solid waste management, and renewable energy. World Bank entities are providing financial assistance for investment projects in these areas around the world.

The public-private partnership mechanism appeared at the intersection of state and business interests in solving the problems of dynamic socio-economic development of regions, and from budget funds increasing the effectiveness of increasing the quality and volume of public sector services by using and attracting investments from extra-budgetary funds.

The number of countries around the world that have adopted public-private partnership mechanisms and tools for the development of public infrastructure and the provision of socially important services is increasing. The use of financial resources from public-private partnerships (PPPs) increases the opportunities for the implementation of projects identified in state programs, which in turn leads to a reduction in poverty among the population through the creation of new jobs.

Discussion

The state, while carrying out its functions, is interested in rational use of resources and improving the quality of life of the population. However, neither the public sector nor private business often have sufficient financial resources to implement such projects. Based on the mechanism of public-private partnership (PPP), the state and pooling resources of private parties, in which the parties act as equal partners, it is possible to ensure the implementation of projects within the framework of the transition to public-private partnership.

The importance of public-private partnership in the country's economy is such that PPPs can implement projects of social significance, pooling large amounts of resources in the region allows for a fair distribution of risks between public and private partners. The state partner (the state represented by its regional bodies) from attracting individual entrepreneurs to implement infrastructure projects within the framework of PPP interested.

According to the World Bank, a 10% increase in financial investments in infrastructure provides 1% of economic growth. Therefore, the development of the PPP institution, in our opinion, is legally established as one of the mechanisms for implementing the concept of long-term socio-economic development of the republic [3].

The number of countries around the world that have adopted public-private partnership mechanisms and tools to develop public infrastructure and provide socially important services is increasing. A public-private partnership is a long-term agreement between a government agency and a private partner, whereby the latter assumes responsibility for managing the private facility and shares the risks with the government.

PPPs are financial relations aimed at ensuring economic growth as an effective mechanism for attracting investments. This allows attracting private sector resources and credit resources of banks, including international financial institutions, to projects related to poverty reduction and a prosperous life of the population. In our country, in recent years, the "green" economy has been certain experience is being gathered in financing infrastructural PPP projects that contribute to development. Environmental projects in areas such as electricity, water supply and sanitation, and solid household waste are allocated priority financial support by international organizations.

It is precisely the green economy that, while enabling resource efficiency, will also serve to solve social problems against the backdrop of population growth and improve well-being. In this regard, the development of the energy system, which is considered an important link in the economy, based on the principles of the green economy, is also gaining importance on a global scale.

The Resolution of the President of the Republic of Uzbekistan No. PP-57 dated February 16, 2023 "On measures to accelerate the introduction of renewable energy sources and energy-saving technologies in 2023" was also an important practical step[4]. The need to transition to green energy at a time when the national "energy consumption in our economy is twice as high as in other countries" is demanding. A rapid transition to renewable energy has double benefits for the economy and society. "By installing renewable energy sources, switching consumers to alternative energy and introducing energy-efficient technologies, it will be possible to generate an additional 5 billion kilowatt-hours of electricity and save 4.8 billion cubic meters of natural gas in 2023."

A total of \$15.4 billion is expected to be directed toward green energy transition financing goals, with private investors expected to account for 87 percent of all funds directed to public-private partnerships to finance the transition of consumers to alternative energy and the adoption of energy-efficient technologies. 1.1 billion dollars of credit funds from commercial banks, 610 million dollars of own funds of enterprises, 150 million dollars of funds from foreign financial organizations and 100 million dollars from the state budget are set to be directed to green energy [5]. It should be noted separately that state budget funds are directed to the transition of budget organizations to green energy.

In 2023, 27 projects on the construction of large-scale solar and wind power plants are expected to be implemented on the basis of public-private partnership. Also, in 2023, the address list of projects to

connect large-scale solar and wind power plants to power transmission networks on the basis of public-private partnership was approved [6].

Conclusions

In our opinion, in order to further develop PPPs, it is necessary to identify the main directions of their improvement.

In our opinion, it is necessary to provide and develop mechanisms for the appropriate protection of the rights of investors and creditors when implementing PPP projects. This includes the protection of investors' rights (including the adoption of court decisions in favor of private investors).

The existing mechanism for making effective use of the practice of full-fledged legal protection of domestic PPP projects. This requires the development of a project evaluation system, which will help to further improve the investment climate and increase the confidence of private investors in legal protection.

The objects of the legal framework for PPPs in our republic are the Law of the Republic of Uzbekistan "On Concessions" and the Law "On Public-Private Partnerships". These two laws are the basis for the legal regulation of PPP projects. In order to increase their effectiveness, in our opinion, it is necessary to pay attention to the following shortcomings [7]:

1. Lack of property rights of the private partner. According to the Concession Law, a private partner creates or reconstructs the concession object with its own funds, and ownership of it belongs to the state partner, that is, the state (Article 21, Clause IV of the Concession Law). Thus, a private entrepreneur does not own the object, although the object was created at his own expense, but he has a significant role in creating the object. invests in the amount This situation creates a risk of abuse of power by state authorities and pressure on business. Concessions that lack adequate administrative resources are particularly at risk.
2. The object of the concession cannot be used as collateral (for example, a pledge). According to the Concession Law, pledging the object of the concession agreement is not allowed.
3. The presence of a concession fee. According to the Concession Law, during the period of operation of the object of the concession agreement, a fee is charged to the state for engaging in private enterprise (concession (Article 16, Clause III of the Law on Concessions). Concession fees are considered the most controversial point of the Concession Law and the entire concession mechanism in general. Because private business solves problems of social importance on its own responsibility, for which the state and local authorities are personally responsible. Therefore, in order to solve these problems, it is necessary to increase the fees from the state. On the contrary, the situation leads to an increase in the cost of services provided to the population, which further increases social problems for the underserved part of the population. The Law "On Public-Private Partnership", unlike the Law on Concessions, is not limited to regulating only one PPP mechanism (in particular, by foreign investors) and has general characteristics.

As a result of the conducted scientific research, we can make the following proposals regarding the use of public-private partnership mechanisms in the development of the green economy:

acceleration of energy reform, in which it is necessary to introduce mechanisms that encourage the efficient use of energy;

financial support to private investors through the introduction of "green energy" bank finance products in public-private partnership projects in the energy sector, as a result, it allows to expand the scope of attracting investors to projects;

it is necessary to effectively use levers that encourage the rational use of water;

In order to actively introduce green financing instruments, it is necessary to develop the traditional market on the basis of healthy competition.

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