

## Development of Green Economy Projects in the Republic of Uzbekistan

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### Abstract:

The importance of the green economy in the whole world and particularly in Uzbekistan is considered in the article. Today's current environmental problems and their elimination through green economy policy are studied. The work carried out in the field of green economy development in our country during 2022 and until now is analyzed.

**Keywords:** Globalization process, economic Cooperation and Progress According to the Organization (OECD), UNEP (the United Nations Environment Program), "Green Economy" is an economy that leads to "improvement of human well-being and social equality, significant reduction of environmental risks and environmental scarcity".

**Introduction:** A green economy is an economy that aims to reduce environmental risks and ecological scarcity and achieve sustainable development without destroying the environment. It is closely related to ecological economics, but has a more politically applied orientation. The UNEP 2011 Green Economy Report states that to be green, an economy must be not only efficient but also fair. Fairness involves recognizing global and country-level dimensions of equity, particularly ensuring a just transition to a low-carbon, resource-efficient and socially inclusive economy. The process of globalization requires the qualitative renewal of the technological base of industrialized countries, the transition to a modernized economy to a new technological structure that ensures the improvement of the quality of life and the living environment while increasing the level of production efficiency and competitiveness.

Abroad, the "green growth" economic policy that makes this transition has been adopted by the Organization for Economic Co-operation and Development (OECD) as a strategic direction for the long-term (until 2030) development of all its members. Transition to "green" economy and "green" growth issues are one of the most urgent tasks on the agenda of the world economy today, and a

number of activities are being carried out in this regard in Uzbekistan together with international partner organizations for development.

In particular: Decision No. PP-436 of the Republic of Uzbekistan dated December 2, 2022 "On measures to increase the efficiency of reforms aimed at the transition of the Republic of Uzbekistan to a green economy by 2030" was adopted. The main part In fact, according to UNEP (the United Nations Environment Program), "Green Economy" is an economy that leads to "improvement of human well-being and social equality, and a significant reduction of environmental risk and ecological scarcity."

After all, the green economy is a new stage of development aimed at creating environmentally friendly products based on pure or "green" technologies and includes new technologies and ecosystems that help and benefit nature. In addition, this system will undoubtedly open the way to new sectors of the economy that will help improve the nature of the country. In addition, the "green economy" is defined as the control and reduction of emissions of pollutants and greenhouse gases, the monitoring and forecasting of climate change, as well as the creation, production and use of energy and resource saving technologies and technologies for renewable energy sources.

This includes the creation, production and use of technologies and materials to protect buildings and structures from sudden changes in temperature, humidity and wind load; production of environmentally friendly products, including agricultural (food, natural fibers) and consumer goods (natural and natural-based medicines and personal care products without chemical additives), in other words, "green economy" economy includes the types and results of economic activities that contribute to the improvement of quality of life and living conditions along with modernization and increase of production efficiency.

- *If we look at the scale of the "green" sector in the world economy, the "green economy" in the United States provides more than 600 billion dollars of products and services (4.2% of GDP), employment is estimated at 3 million people;*
- *in Japan - 3.4 % of GDP and 1.5 million, respectively;*
- *2.5 percent of the total GDP and more than 3.4 million people in the countries of the European Union; but in some countries these indicators are higher:*
- *Germany has 4.8% of GDP, besides, Germany is one of the leading countries in the world in exporting environmentally friendly products and services (in particular, more than 12% of world trade in climate-saving equipment);*

In Great Britain, which is the world leader in terms of the share of the "green" sector in GDP, this figure is 240 billion dollars (or 8.8% of GDP), its share in exports is 5%, and the overall employment rate is 3 percent. When analyzed at the level of countries, Germany is one of the advanced countries in this field, which has created a zero-waste production cycle in introducing green principles to all sectors of the economy. Germany is a world leader in waste processing and recycling. In Germany, 23 percent of patented technologies belong to the environment, and more than 30 percent of companies in the field of wind and solar energy belong to German companies. The number of workers in German companies working in the green sector, i.e. in areas related to environment and climate protection (energy, transport, recycling, waste disposal, etc.), is approximately 2 million people or a total of 4.5 percent of the economically active population.

Today, this indicator has a growing tendency. Why should Uzbekistan move to a "green economy"? This is due to a number of factors, including:

- ✓ *most of the energy consumed in the national economy is produced using non-renewable natural resources;*
- ✓ *limited supply of these resources;*

- ✓ *environmental pollution as a result of rapid industrial development;*
- ✓ *water shortage;*
- ✓ *environmental problems related to the drying up of the Aral Sea are increasing.*

During the past thirty years of independence and reforms, Uzbekistan has made significant progress in combating the effects of climate change thanks to environmental protection and forestry measures in the Aral Sea. Existing national environmental plans and targets remain central to the transition to a low-carbon and "green" economy. But irrigation and potable water shortages, and reliable electricity supplies remain, as evidenced by recent widespread power outages and unprecedented sand and dust storms. These problems, which negatively affect people, communities, the environment and infrastructure, remind us that much more needs to be done to ensure Uzbekistan's "green" future. According to the forecasts of the Organization for Economic Co-operation and Development (OECD), if the modern way of production and consumption continues, by 2050, compared to the year 2000, 61 to 72 percent of the flora and fauna will be lost, and natural and regions 7.5 million. will be reduced to sq. m. (9). In 2015, according to the calculations of the team of scientists of the Global Footprint Network project, the annual resources of our planet (the amount of resources that can be used and then regenerated) were exhausted in only 7 months and 13 days. Scientists have been making such calculations since the 1970s, and every year they witness that the annual resources are being used up faster and faster.

For example, in 2015, the amount of resources was exhausted six days earlier than in 2014, which certainly shows the need to promote the idea of rational use of resources and ensuring the development of countries without harming the environment. If a new economic policy is not implemented, according to the OECD's 2050 forecasts, the world's energy demand will increase by 80%. If it is analyzed at the level of countries, it is expected that South Africa's energy demand will increase by 15%, OECD European countries by 28%, Japan by 2.5%, and Mexico's energy demand by 112%. Greenhouse gas emissions will increase by 50% and worsen air pollution.

Urban pollution will become the biggest problem by 2050. Drinking water pollution and poor sanitation are leading in this. Finally, the number of premature deaths caused by heavy air pollution reaches 3.6 million per year, and the share of China and India is significantly higher. The Earth's surface will shrink up to 10%, especially in the countries of Asia, Europe and South Africa. It is predicted that the area of natural forests will decrease by 13%. In order to prevent these global risks, the main attention should be focused on ecologization of the economy. There are a number of measures, such as transition to "green economy", introduction of eco-innovations and ecological investments. A number of works have been carried out in Uzbekistan in this regard together with international partner organizations.

In particular: Decision No. PP-436 of the Republic of Uzbekistan dated December 2, 2022 "On measures to increase the effectiveness of reforms aimed at the transition of the Republic of Uzbekistan to a "green" economy by 2030" was adopted. The decision approved the following strategic documents and systems:

- ✓ *the program of transition to "green" economy and provision of "green" growth in the Republic of Uzbekistan until 2030, designed to achieve strategic goals;*
- ✓ *the concept of transition to "green" economy and energy efficiency in industrial sectors;*
- ✓ *Action plan to transition to a "green" economy and ensure "green" growth in the Republic of Uzbekistan until 2030;*
- ✓ *target parameters for saving fuel and energy resources in economic sectors in 2022-2026 aimed at reducing the energy capacity of manufactured products by 20% by 2026 compared to 2022;*

- ✓ *In the Republic of Uzbekistan, the composition of the inter-departmental council on coordination of measures for the transition to the "green" economy was updated;*
- ✓ *A donor coordination group on transition to a "green" economy and "green" growth was approved.*
- ✓ *the working body of the Ministry of Economic Development and Poverty Alleviation, which organizes the activities of the coordination group of donors consisting of 4 additional state units, and helps to coordinate it with the interdepartmental council in the implementation of the tasks defined in the "green" economy strategy, program and action plan technical secretariat of the project office was established.*
- ✓ *In cooperation with the French Development Agency (AFD Agence Française de Développement), a project was implemented in 2022 in the field of public policy on the "Green" economy.*

Within the framework of this program, AFD plans to support the transition of the Republic of Uzbekistan to a "green" economy. Also, in this direction, the development of a long-term strategy for the decarbonization of the economy, the introduction of the monitoring, reporting and verification (MRV) system of greenhouse gas emissions at the national level, the introduction of "green" budgeting, and the implementation of work in other directions have begun.

- ✓ *Together with the World Bank, a project was developed to establish a mechanism for international trade of reduced greenhouse gases in accordance with Article 6 of the Paris Agreement.*

In this, a project to assist the government of Uzbekistan in participating in the carbon market will be implemented with the financial support of the "Transformative Carbon Asset Facility TCAF" under the World Bank. TCAF is a World Bank trust fund that supports countries' efforts to market carbon prices and private sector investment in low-carbon technologies.

In particular, it is planned to implement an innovative carbon financing project within the framework of energy reforms together with the representatives of the World Bank.

- ✓ *In October 2022, the joint financing mechanism (JCM Joint Credit Mechanism) will be launched between the governments of Uzbekistan and Japan, which provides for the involvement of modern "green" technologies aimed at reducing greenhouse gas emissions in economic sectors. was agreed upon and a Memorandum of Cooperation was signed.*
- ✓ *In order to support the wide use of renewable energy sources by the population and business entities by the state, to provide electricity and thermal energy through these sources, and to promote the effective use of energy resources in administrative structures, household buildings and support mechanisms are currently in use. 9 2022 In September, the decree of the President of the Republic of Uzbekistan "Additional measures on the introduction of energy-saving technologies and the development of small-capacity renewable energy sources. On measures" No. 220 was approved. This decree is aimed at the development of renewable energy sources in the Republic. including measures.*

Also, the amount of funds to be paid by the state in the form of compensation for renewable energy sources installed by the population is determined in the Decree.

- *In cooperation with the Asian Development Bank (ADB), work is being carried out on the possibilities of introducing ESG principles in state-owned enterprises, emerging problems, their solutions, and improving this area.*

The state of implementation of environmental, social and corporate management principles (Environmental, Social, Governance - ESG) in large industrial enterprises was studied, proposals

for the implementation of these principles were developed, and seminars and trainings were organized for them.

In particular, the following works were carried out within the framework of the project implemented in cooperation with ADB:

- *recommendations on the development of national level policy, strategy and regulatory framework on ESG principles of sustainable investments were prepared;*
- *developed guidelines for compliance with sustainable investment standards by industry/enterprises;*
- *Prepared analytical data and reports related to the implementation of ESG principles. At the same time, within the framework of this project:*
- *Based on the technical support of the Asian Development Bank, qualified foreign experts were recruited to implement ESG principles in state-owned enterprises;*
- *With the participation of Moody's international rating agency and foreign experts, an online seminar was organized for more than 50 experts of a number of state-owned enterprises on the topic of "Directions for the implementation of "ESG" principles in state-owned enterprises."*

Program, project and measures planned to be implemented in Uzbekistan in 2023 in order to accelerate the transition to a "green" economy:

1. Cooperation between the Ministry of Economy and Finance of the Republic of Uzbekistan and the Development Program of the United Nations Organization (UNDP United Nations Development Program) in the field of financing sustainable development in Uzbekistan, sustainable development goals, projects such as "green" economy, "green" bond in the field of finance agreed on the increase. Within the framework of this agreement, during 2023, the government of Uzbekistan and the UNDP will implement sustainable development in economic sectors, widely implement the goals of sustainable development in the republic, develop and implement "green" bonds in Uzbekistan, and replace the "green" economy in the financial sector. will cooperate on increasing and focusing more on the financing of "green" projects.
2. In order to regulate the emission of greenhouse gases in our country, it is planned to develop the draft Law of the Republic of Uzbekistan "On limiting the emission of greenhouse gases" in 2023. The draft law includes mechanisms such as regulation of greenhouse gas emissions, greenhouse gas cadastre, registry and trading system. In particular, the amount of greenhouse gases reduced as a result of green projects carried out in the territory of the Republic of Uzbekistan should be fully disposed of by the state; It is carried out in order to collect accurate information on the emission of greenhouse gases as a result of mining or other activities and to provide state bodies, legal entities, individual entrepreneurs and citizens with this information; state accounting of the emission of greenhouse gases information is taken into account in the preparation of the greenhouse gas cadastre. It is determined that the state accounting of the release of greenhouse gases and the maintenance of the greenhouse gas cadastre shall be carried out in relation to the greenhouse gases in the list determined by the Government of the Republic of Uzbekistan.
3. In order to further support the introduction of renewable energy sources in the Republic of Uzbekistan, work is underway to implement the "green" energy certification system in the country. A system of "green certificates" is being introduced, which confirms that products are produced from renewable energy sources and using environmentally friendly technologies, and allows monitoring all related processes. According to this system, producers of renewable energy sell a "green certificate" to the end user (manufacturers, consumers) and thereby guarantee the "cleanliness" of energy. This allows end users to increase the volume of sales and

export of their products, attract "green" investments and "green" loans from international and foreign financial organizations.

4. During 2023, it is planned to launch the development of the "Green" online platform, which will contain all the information on the "green" economy. All open information related to the "green" economy will be freely available on the platform, and those interested will be able to get the information they are interested in.
5. A modern Monitoring, Reporting and Verification (MRV) system will be implemented in the area of Climate Change covering all greenhouse gases. All of the greenhouse gases within the MRV system continuous monitoring of the sources is established and measures to reduce their emissions are determined.
6. During 2023, it is planned to develop and approve the long-term (until 2050) strategy (LTS) for low-carbon development of the country.
7. In order to further increase the efficiency of the transition to the "green" economy and to support the implementation of "green" projects and to support scientific research works and start-up projects aimed at "green" growth, the Ministry of Economy and Finance of the Republic of Uzbekistan It is planned to open a special fund for the development of "Green" economy.
8. From January 1, 2024, a modern system of monitoring, reporting and verification (MRV) will be launched in the field of climate change, covering all greenhouse gases;
  - ✓ *in the pre-planning and implementation stages of investment projects in economic sectors, their ability to reduce the amount of greenhouse gas is assessed, the amount of greenhouse gas reduced as a result of the projects is certified and directed to foreign markets;*
  - ✓ *From January 1, 2024, as part of investment projects for the construction of newly built solar and wind power plants with a capacity of more than 1 MW, an electric energy storage system with a capacity of not less than 25% of the installed capacity of these plants will be introduced in a mandatory manner.*

**In short**, the transition to a "green" economy will help to solve environmental problems such as unreasonable use of water resources, air pollution, forest reduction, land degradation, and climate change. In addition, the state will improve and restore the environment. and implements measures to protect and maintain ecological balance, creates conditions for public control in the field of urban planning activities in order to ensure the ecological rights of citizens and prevent harmful effects on the environment. At the same time, the responsibilities of the government in the field of environmental protection, preservation of biological diversity and combating climate change were determined.

If humanity's attitude towards the natural environment changes, if first of all they develop an ecological culture, if relations with production, service provision and consumption of products adapt to the efforts of "greening", the life of us and the future generation will change for the better. . The transition to the "green" economy is important for ensuring the well-being of the population in the country and for the development of all important indicators of the economy.

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