

The Activity Of The European Bank For Reconstruction and Development and Its Impact on the Economy Of Uzbekistan

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Abstract: The article discusses the establishment of the "European Bank for Reconstruction and Development" and its economic and political partnerships among Asian countries, as well as its role in the economy of the Republic of Uzbekistan. In addition, the article analyzes the growth dynamics of European and Asian economies.

Key words: European Bank for Reconstruction and Development, economy, infrastructure, banking, banking activity, microloan, credit.

Introduction

The main criteria of the 20th and 20th centuries is, of course, how the Asian countries are gaining importance in the global process and international relations at the stage of development of today's political processes. In particular, it is important at the stage of development of economic, political, cultural, humanitarian, diplomatic relations.

On March 5, 2020, the President of the Republic of Uzbekistan Shavkat Mirziyoyev received the delegation of this prestigious financial institution headed by the President of the European Bank for Reconstruction and Development Suma Chakrabarti. It is worth noting that Uzbekistan and the EBRD relaunched their partnership in 2017. In the past period, the bank's country strategy and joint "road map" were adopted and are being implemented. The volume of new investments reached 1.1 billion dollars and was directed to priority sectors such as energy, heating and water supply, communications, road and housing construction. At the moment, one-third of the EBRD's investment is aimed at supporting private sector initiatives. The head of state noted the personal contribution and active efforts of Suma Chakrabarty in reaching such a high level in bilateral cooperation¹.

The European Bank for Development and Reconstruction (EBRD) is an international organization established on the basis of the agreement of May 29, 1990. 40 countries are among the founders of the European Development and Reconstruction Bank - all European countries except Albania, the USA, Canada, Mexico, Morocco, Egypt, Israel, Japan, New Zealand, Australia, South Korea, as well as the European Economic Community (EC) and European Investment Bank (EIB).

¹ <https://president.uz/oz/lists/view/3425>

The shares of Czechoslovakia and Yugoslavia were divided among the new states that emerged after the collapse of the Soviet Union. Any country that is a member of the IMF outside of Europe can be a member of the IMF. As of January 1, 1999, 60 countries (including all European countries) are shareholders of EBRD. The bank is headquartered in London. The status, privileges and immunities of the FSA and its UK affiliates are set out in the Headquarters Agreement between the FSA, Great Britain and Northern Ireland, signed on 15 April 1991.

The main tasks and objectives of the activity of the European Bank for Development and Reconstruction. The main task of the European Bank for Development and Reconstruction is to support the transition of the socialist countries of Europe to an open, market-oriented economy, as well as the development of private and entrepreneurial initiatives².

In order to implement the main goals of the bank, such as assisting the transition of Central and Eastern European countries to a market economy, the charter of the European Bank for Development and Reconstruction envisages the following:

- support to the development, formation and expansion of the competing private sector, primarily small and rural enterprises;
- mobilization of foreign and local capital for the implementation of the above-mentioned activities;
- making investments in the financial sector and services necessary to support production and private initiative;
- technical assistance in project preparation and implementation;
- encouraging the development of national capital markets;
- to support projects that are economically beneficial and involve several beneficiary countries;
- active implementation of operations in the direction of ecology and sustainable development;
- performing other functions that help in the implementation of the above.

In its activity, EBRD encountered the restraint of international investors and banks regarding the expansion of project financing in the private sector. And this shows the importance of EBRD as a catalyst of investments. The reluctance of some governments to provide guarantees for infrastructure projects in their own countries also hampers the operations of the EBRD. The activity in the field of technical cooperation directly or indirectly supports the investments and credits of EBRD. Its focus is mainly on project preparation, sectoral research and consulting services. For this reason, this attention is very important in the activity of EBRD. One of the important aspects of the activity of EBRD is the training of management personnel in all countries and at various levels and improving the qualifications of specialists³.

The foreign economic policy of our country is primarily focused on active participation in international financial relations while protecting national economic interests⁴.

Foreign economic activity means the activity of legal and natural persons of the Republic of Uzbekistan aimed at establishing and developing mutually beneficial economic relations with legal and natural persons of foreign countries, as well as international organizations.

Development of international economic and financial cooperation, finance, banking and insurance activities, education and personnel training, tourism, health care, scientific-technical, cultural, ecological, humanitarian and other fields in accordance with the procedure established by the legislation of Uzbekistan. Subjects of foreign economic activity of the Republic are carrying out

² ABDULLAEV A.J, QAYIMOVA Z.A, BOLTAEV SH.SH, NARZIEVA D.M PUL VA BANKLAR O'quv qo'llanma "Durdona" nashriyoti Buxoro – 2021 348-b

³ Ismailova N. K. Importance of financial security in financial globalization // Экономика и бизнес: теория и практика. – 2019. – №. 4-3. – С. 37-40.

⁴ U.O'roqov. Davlat xaridlari tizimida elektron xaridlar hajmini oshirish masalalari. 2021.

foreign economic activity aimed at establishing and expanding mutually beneficial relations with legal and physical entities of foreign countries, as well as international organizations.

Today, if we briefly dwell on the practical relations of international financial institutions, we can mention the European Bank for Reconstruction and Development (EBRD) as one of them. This organization maintains close cooperation relations with those who firmly believe that the path we have chosen and the reforms being implemented are correct.

Uzbekistan has been a member of the European Bank for Reconstruction and Development since 1992. EBRD is considered one of the largest investors supporting the development of the private sector in Uzbekistan. European Bank for Reconstruction and Development Development of the financial sector and banking infrastructure in Uzbekistan, energy sector, economic development, support of small and medium-sized businesses, formation of market infrastructure, development of natural resources, cotton processing and other branches of light industry in seven directions active. European Bank for Reconstruction and Development Equipment of Fergana oil refinery (total value 81.5 million ecu); Implementation of projects aimed at increasing energy production capacity and ensuring compliance of Syrdaryo GRES with international standards (total value 25.2 million ecu) and repair of Tashkent International Airport, as well as purchase of special equipment for increasing safety (total value 43.5 million ecu) allocated credits for the increase.

Currently, the total value of the participation of the European Bank for Reconstruction and Development in Uzbekistan is 1 billion. 15 projects worth more than US dollars are being implemented (in which the bank's share in direct financing is equal to 597.7 million US dollars). In particular, the European Bank for Reconstruction and Development allocated 120 mln. for the development of medium and small businesses in Uzbekistan. Credit is issued in US dollars. 60 mln. US dollars to the National Bank of Foreign Economic Activity of the Republic of Uzbekistan without a government guarantee, 60 mln. and dollars were given to other commercial banks without government guarantee⁵.

EBRD has defined seven directions of its activity in Uzbekistan. These are aimed at developing the following areas:

- financial sector and banking infrastructure;
- small and medium-sized enterprises;
- market infrastructure;
- energy complex;
- cotton processing and other sectors of light industry;
- tourist infrastructure;
- exploitation of natural resources.

CONCLUSION

Based on the above, we can conclude that the European Bank for Reconstruction and Development is actively participating in the implementation of a number of promising projects in our country by allocating its funds. Also, the role of these organizations is important in the implementation of a number of investment projects in our country.

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