

Uzbekistan Investment Cooperation with the European Reconstruction and Development Bank

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Abstract: Uzbekistan's investment cooperation with the European Bank for Reconstruction and Development (EBRD) has been significant in promoting economic development and reforms in the country. This scientific and practical article is devoted to analyses of the investment cooperation between Uzbekistan and the European reconstruction and development bank.

Key words: Economy, finance, macroeconomy, stabilizing the commercial banks, international cooperation, EBRD.

Background.

The EBRD is a multilateral development bank that focuses on supporting the transition towards market-oriented economies in its member countries, primarily in Central and Eastern Europe, as well as Central Asia.

Uzbekistan's investment cooperation with the European Reconstruction and Development Bank (EBRD) has been ongoing for several years and has played a significant role in supporting the country's economic development and reform efforts.

The EBRD is an international financial institution that focuses on promoting the transition towards market-oriented economies and sustainable development in its member countries

Uzbekistan became a shareholder of the EBRD in 1992 and has since received substantial investments and technical assistance from the bank. The cooperation between Uzbekistan and the EBRD has primarily focused on promoting private sector development, improving infrastructure, and supporting sustainable energy projects.

Research and analysis.

The EBRD has supported various sectors in Uzbekistan, including agribusiness, manufacturing, financial institutions, and renewable energy. Through its investments, the EBRD aims to foster entrepreneurship, enhance competitiveness, and promote sustainable economic growth in Uzbekistan.

Some examples of EBRD-supported projects in Uzbekistan include investments in renewable energy, such as solar and wind power plants, as well as improvements in water and wastewater management systems. The bank has also provided financing and expertise to local financial institutions to strengthen the banking sector and promote access to finance for small and medium-sized enterprises.

In addition to direct investments, the EBRD works closely with the Uzbek government to implement policy reforms and institutional improvements. This collaboration includes technical assistance programs, capacity building initiatives, and policy dialogue to support the country's economic transition and create an enabling environment for investment.

Uzbekistan's partnership with the EBRD is part of its broader efforts to attract foreign investment, diversify its economy, and implement market-oriented reforms. The cooperation with the EBRD has helped Uzbekistan access international capital, expertise, and best practices, contributing to its economic development agenda and the well-being of its citizens.

Furthermore, apart from financial support, the EBRD also provides technical expertise, policy advice, and capacity-building programs to help Uzbekistan implement economic reforms and improve the business environment.

Below we would like to share some statistics by EBRD related to their activity in Uzbekistan:

EBRD activity in Uzbekistan to date

129

Number of projects

70

Number of active portfolio projects

€4,015 million

Cumulative EBRD investment

€2,335 million

Current portfolio of projects

€1,589 million

Cumulative disbursements

€730 million

Operating assets

49%

Private sector share of portfolio

3%

Equity share of portfolio

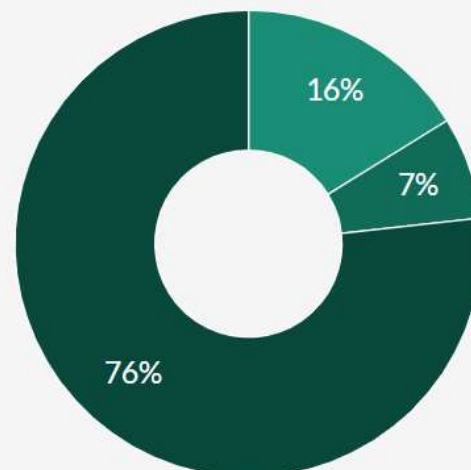
Data valid as of: 31 March 2023

Portfolio composition

Current portfolio¹ **€2,335 million**

¹Includes undisbursed commitments

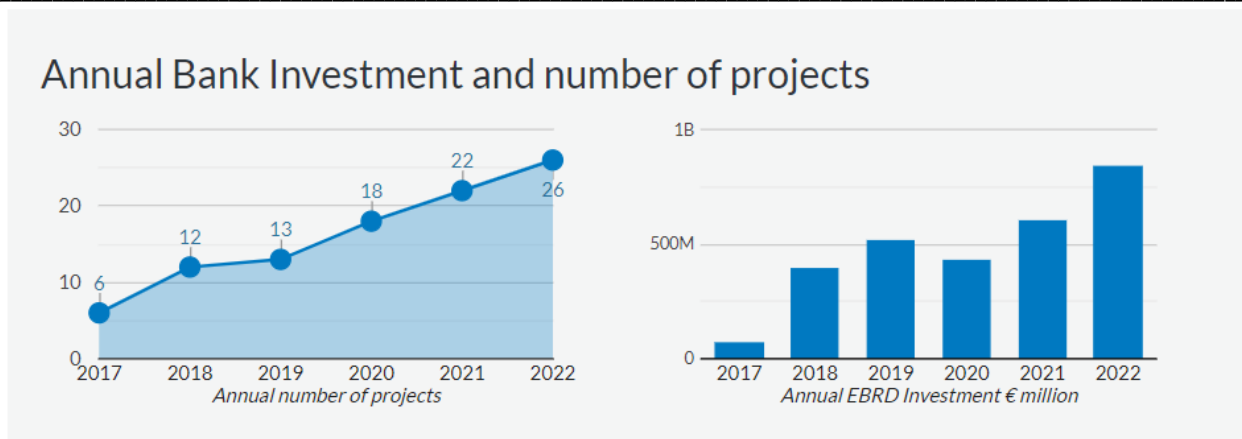
- Financial Institutions
- Industry, Commerce & Agribusiness
- Sustainable Infrastructure



* The above statistics are supplied by EBRD - <https://www.ebrd.com/where-we-are/uzbekistan/data.html>

According to their current portfolio data, the amount of the investment till now is €2.335 million, and three fourths (equaled to €1,785 million) of their investment is directed to the Sustainable Infrastructure, which shows the main aim of the partnership.

To analyze this amount (€2.335 million) we would supply some statistics by EBRD about the yearly increase in the portfolio of EBRD in Uzbekistan:



One key point to mention there is that the amount of portfolio of EBRD in Uzbekistan has increased nearly by fifteen times: for the detailed explanation the amount was €69 million in 2017 and €839 million in 2022¹.

Conclusion and solutions.

The investment cooperation between Uzbekistan and the EBRD is expected to continue contributing to the country's economic diversification, job creation, and overall development. It plays a crucial role in attracting foreign direct investment and facilitating the transfer of know-how and best practices from the European Union to Uzbekistan.

Uzbekistan's partnership with the EBRD is part of its broader efforts to attract foreign investment, diversify its economy, and implement market-oriented reforms. The cooperation with the EBRD has helped Uzbekistan access international capital, expertise, and best practices, contributing to its economic development agenda and the well-being of its citizens.

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