UZBEKISTAN'S STRATEGY FOR TRANSITION TO '' GREEN ECONOMY'': EXISTING PROBLEMS AND PROSPECTIVE OPPORTUNITIES

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Abstract*:This article focuses on the idea that Uzbekistan's shift to a green economy is an important undertaking that will help address environmental issues and economic inequality while promoting sustainable development. This abstract examines Uzbekistan's diverse transition strategy, highlighting the incorporation of sustainable agriculture, effective resource management, and renewable energy sources. In order to facilitate this change and improve economic resilience, important governmental frameworks and policies that are in line with global climate commitments are being developed. Public-private partnerships and community participation play a critical role in fostering eco-friendly practices and advancing innovation in a variety of industries. In addition, this shift offers exceptional chances for social justice, technological advancement, and employment creation, guaranteeing that environmental concerns are interwoven into the country's economic structure.*

Key words*: green economy, environmental issues, agricultural practices, innovation, agriculture, sustainability, green growth*

Introduction

When it comes to integrating sustainable practices into its overall economic planning, Uzbekistan is making great strides. The nation started its shift from a planned to a market economy in 2016. He realized that he needed to use a green strategy to bolster his economic transformation. The government is dedicated to developing an economic paradigm that is more sustainable.Specifically, the

December 2022 presidential directive outlined a number of measures that the government needed to carry out in this area. In order to achieve green, sustainable, and inclusive growth, it established the Action Plan for the Transition to a Green Economy and Green Growth by 2030, which includes steps to solve the present environmental and economic difficulties.

The World Bank recently examined the challenges and opportunities associated with Uzbekistan's shift to a green economy in a report that was produced in collaboration with that country's Ministry of Economic Development and Poverty Reduction and other governmental organizations.It highlights the most urgent threats related to the environment and other issues and suggests actions and changes to policy. Programs for landscape restoration and energy efficiency are two examples of these that provide advantages for the environment and the economy. A few of the results of the investigation are outlined in this article.

Methodology

The following techniques were employed to fulfill the study goals: The subject was covered using scientific abstraction, analysis and synthesis, comparison, and statistical analysis. The literature produced by scientists and researchers in our nation and abroad that focuses on assuring sustainable development using the ideas of the green economy, as well as theoretical analysis of statistical data that has been collected and compared.

Analysysis and results

Uzbekistan needs to handle its resources better. Compared to other upper-middle-income nations and the European Union, the nation has a far poorer resource efficiency. With an energy consumption per GDP unit over three times higher than the average for Europe and Central Asia and twice that of Kazakhstan, a neighbor, Uzbekistan uses water in a particularly inefficient manner.Sand and dust carried by the wind from degraded regions aggravate particle air pollution from industrial and urban sources. A sizeable section of the populace is frequently

exposed to air quality that is deemed detrimental. Uzbekistan needs to solve these and other difficulties in three time frames: immediate, near-term, and long-term, in order to realize its green aspirations. Improving air quality and sustainable land and water usage will be the nation's top green goals given its agriculture-based economy and the steadily declining quality of the air in populous regions. This can be accomplished by restoring the landscape, managing water resources effectively, and taking steps to lessen air pollution. In Uzbekistan, there is a need to expand the practice of sustainable land use. Land use sustainability is further increased by climate-smart agriculture methods.But the nation should also take society's reaction to the green shift into account. There will be winners and losers in the pattern of investment and employment creation if green sectors are supported and carbon-intensive activities are reduced. Assisting the businesses that have suffered the most is crucial. The World Bank is dedicated to helping Uzbekistan realize inclusive and green growth. A nation can reap the benefits of a green, sustainable, and inclusive future by implementing the appropriate combination of environmental laws and reforms. To safeguard its future in the midst of the global green transformation, which presents numerous chances for economic growth and development, Uzbekistan needs to embrace sustainable policies.

In Uzbekistan, the program of transition to a green economy and green growth until 2030 was adopted at the end of 2022. Earlier, the government announced plans to completely eliminate the use of coal, natural gas and petroleum products as fuel by 2050 in order to achieve carbon neutrality, or “zero emissions” (the amount of carbon dioxide emissions that do not exceed the amount absorbed by oceans and forests).According to the program, by 2030, the share of renewable energy sources (RES) used will be about 30% of the country’s total electricity generation. By that time, wind power plants (WPPs) with a total capacity of at least 5000 MW and solar photovoltaic power plants (SPPs) with a total capacity of 7000 MW will be put into operation.In this regard, the issue of awareness of the population as consumers about the relevance of diversification of energy consumption, advantages and disadvantages of alternative energy sources is

relevant.

Challenges to energy security in Uzbekistan

Uzbekistan is located in the heart of Central Asia, a region with a pressing problem of water scarcity. According to the World Resources Institute, Uzbekistan ranks 29th among the countries that will be exposed to high levels of water stress by 2040. The expected level of stress is projected to be more than 80% in the entire Central Asian region. These figures are depressing, especially considering the fact that Uzbekistan's population will exceed 42 million by 2040. According to projections, rapid population growth could lead to water shortages ranging from 44-46%. Given the growing demand for water resources and their rapid depletion, it is important to take appropriate measures to address the problem.According to the forecasts given in the Presidential Decree dated 01.04.2023, by 2023, water resources are expected to decrease from the long-term norm by 10-15% in the Syrdarya river basin and by 15-20% in the Amudarya river basin. At the same time, the Concept of Water Sector Development of the Republic of Uzbekistan for 2020-2030 notes that the average annual volume of water resources used by Uzbekistan is 51-53 billion m3, of which 80% (about 41 km3/year) falls on transboundary rivers. Reduction of water volumes in the Amu Darya and Syr Darya rivers will have a significant impact on water availability in Uzbekistan, which will entail serious social and economic consequences.[1]

The Government's vision 5 to transform Uzbekistan into an industrialized, upper-middle-income country by 2030 enjoys popular support, and difficult reforms on price liberalization, land ownership and agriculture have been proposed with some already in place. The predominantly inward-looking economic model applied until recently has been jettisoned and new policies are encouraging the integration of private businesses into global and regional value chains. A trend of poverty reduction reflects robust pre-COVID19 GDP growth, rising incomes of micro and small businesses, regular minimum wage increases, remittance inflows and the Government's targeted safety net programs. On human capital, the country

is positioned to reap a demographic dividend from its large young population by offering productive employment opportunities,encouraging economic initiative and innovation, and strengthening future work capabilities and digital skills.Not least, the country is blessed with natural capital, especially land and abundant sunshine.Elsewhere, efforts are still fledgling, and many needed actions have yet to be agreed. Further integration of sectoral policies is needed in order to harmonize budgeting, regulations and standards, promote efficiency and synergies as well as ensure implementation at all levels (suggestions for practical steps and deployment of cross-sectoral integration could be among the priority tasks of the National Interagency Green Economy Council proposed in the paper and summarized below). Also critical are additional and stronger incentives for private and state actors to channel financial, technological, management and human resources to sustain natural resources and reduce pollution and carbon emissions. Importantly, industry will need to be encouraged to adopt genuine corporate and social responsibility and environmental, social, governance principles and practices.

Analysis and discussion

Energy Inefficient energy use costs at least 4.5% of the GDP annually, with electricity generation, heating supply and buildings being important sources of energy loss. Almost 40 % of Uzbekistan’s available generation capacity is past its

service life leading to power outages 8. In the absence of policies to encourage energy efficiency and decarbonization,Uzbekistan by 2030 will find itself facing sharp reductions in oil and gas production (and exports) and increasingly reliant on coal 9. Research shows that potential of renewable energy sources in Uzbekistan is 270 million tons of reference fuel, which is more than three times the annual need for energy resources, and most of this potential is in solar energy 10. Solar electricity costs have fallen 80% worldwide in 10 years, and are even more favorable in Uzbekistan, which enjoys plenty of sunshine.The industrial sector, dominated by chemical manufacturing and mining, uses almost a quarter of total energy use in the country, and almost all of it natural gas. The sector is challenged not only to cut emissions and become less polluting, but also to respond to the rapidly reshaping of global production systems which require cleaner production processes, innovation and a talented labor pool to remain competitive. A Presidential decree goes some way to support an industrial policy, calling for "the formation and implementation of a tax and tariff policy that encourages the reorientation of the economy from the export of raw materials to the production of high-quality products and deep processing," and more is needed. Uzbekistan's agriculture sector is the second biggest emitter of GHGs and the largest user of water. More than three-quarters of pasture land has been degraded,16 and productivity on good land has dropped by half in last 20 years, with yields of fodder declining by an average of 2% per ha per year 15. 'Greening' agriculture, coupled with agricultural sector liberalization launched after 2016, has the potential to significantly increase productivity, employment and income, and cut water use. Agriculture employs more people than industry and trade sectors together. The recently adopted agricultural strategy for Uzbekistan has an implicit jobs agenda. What is needed is a "roadmap" for realizing job potential in the sector while 'greening' it. Screen all elements of stimulus packages for their longer terms implications across the key dimensions of long-term growth and equitable livelihood potential, resilience to future shocks, and decarbonization and sustainable growth trajectory. Priority actions should create jobs and reduce

inequality. They should be actions that can be implemented quickly, including "shovelready" targets for public investment, with a focus on non-emissions-intensive infrastructure projects, and existing policy frameworks that can be rapidly scaled up. At the same time, they should favor cross-sectoral,cross-government approaches that take a long-term, systemic approach to growth and sustainability ratherthan focus on single technological outcomes. Policy makers could also avoid relaxing existing environmentalregulations to provide near-term relief, as the costs of longer-term vulnerability will often outweigh shortterm economic relief.

Fig. 1 - Uzbekistan Green Economy Transition Priorities. Source: World Bank

Provide specific support for reskilling and training for industries affected by the immediate crisis and longer-term decarbonization, along with supportive policies such as reforming housing policies to encourage mobility. The requirement of introducing energy-efficient solutions in the government-backed affordable housing programs needs to be expanded to the wider construction industry across all the segments, including residential, commercial and industrial facilities. Specialists of the relevant government agencies primarily responsible for the construction sector, and construction and engineering firms will need to be trained in green construction technologies, products and services. Capacity building is also needed for key personnel of the transport authorities and the municipalities formulating policies regarding public and automobile freight

transport.

Conclusion

To sum up, Uzbekistan's plan to move to a green economy offers a great chance to tackle urgent environmental issues while supporting sustainable development. In spite of current roadblocks, like inadequate infrastructure, financial limitations, and a dependency on conventional energy sources, the country is ready to take advantage of its abundant natural resources and human capital. By making investments in renewable energy, improving energy efficiency, and encouraging sustainable agricultural practices, Uzbekistan can not only lessen the effects of climate change but also boost economic growth and raise the standard of living for its people. Cooperation between the public, private, and international partners will be essential to overcoming obstacles and maximizing the potential of a green economy. Adopting this transition will not only establish Uzbekistan as a regional leader, but also in sustainability but also contribute to global efforts in combating climate change.

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