# PROMOTING GREEN INVESTMENT IN UZBEKISTAN

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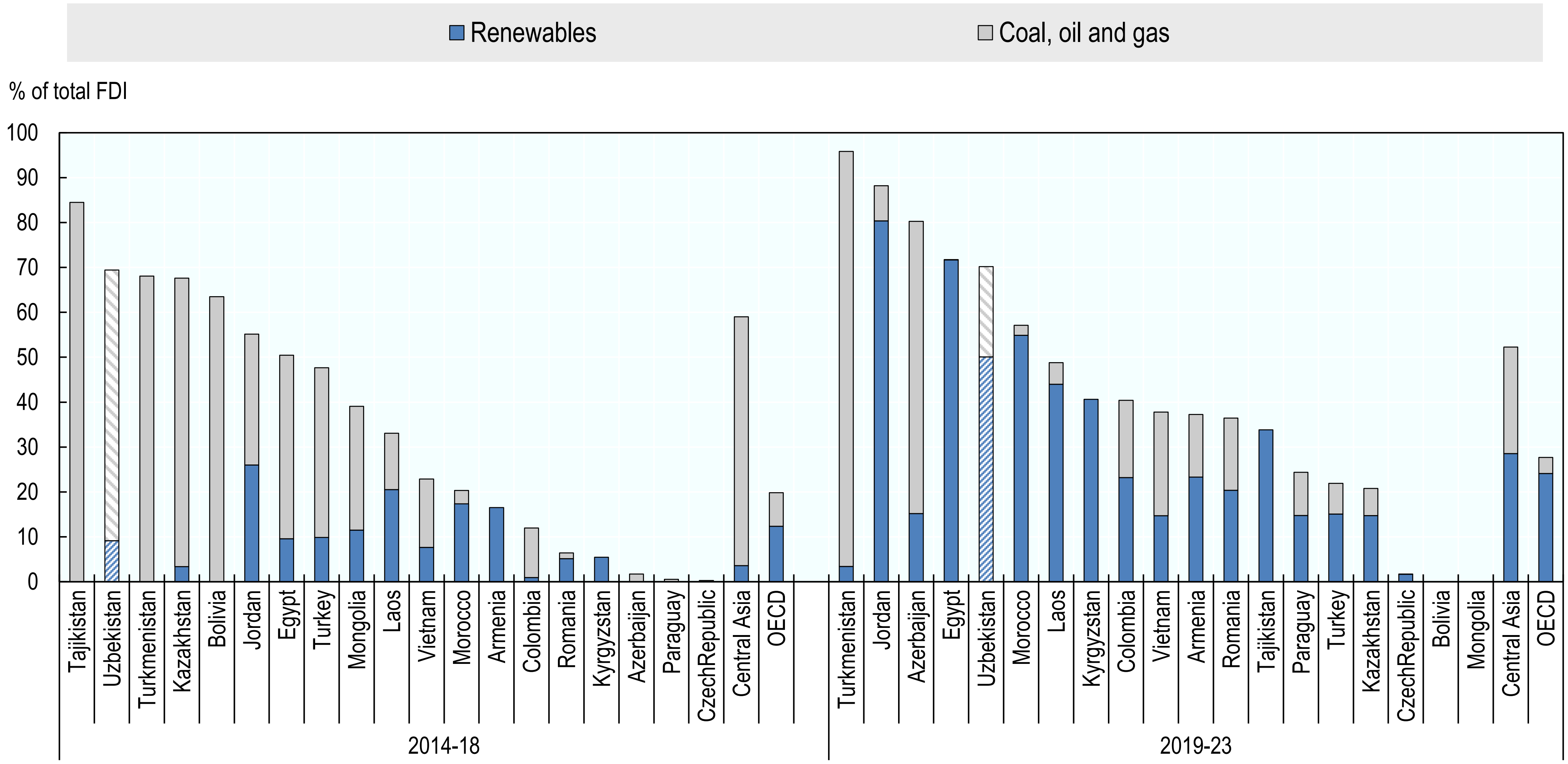
OCDE

DES POLITIQUES MEILLEURES POUR UNE VIE MEILLEURE

# Introducing the Roadmap on Sustainable Investment Policy Reforms in Uzbekistan

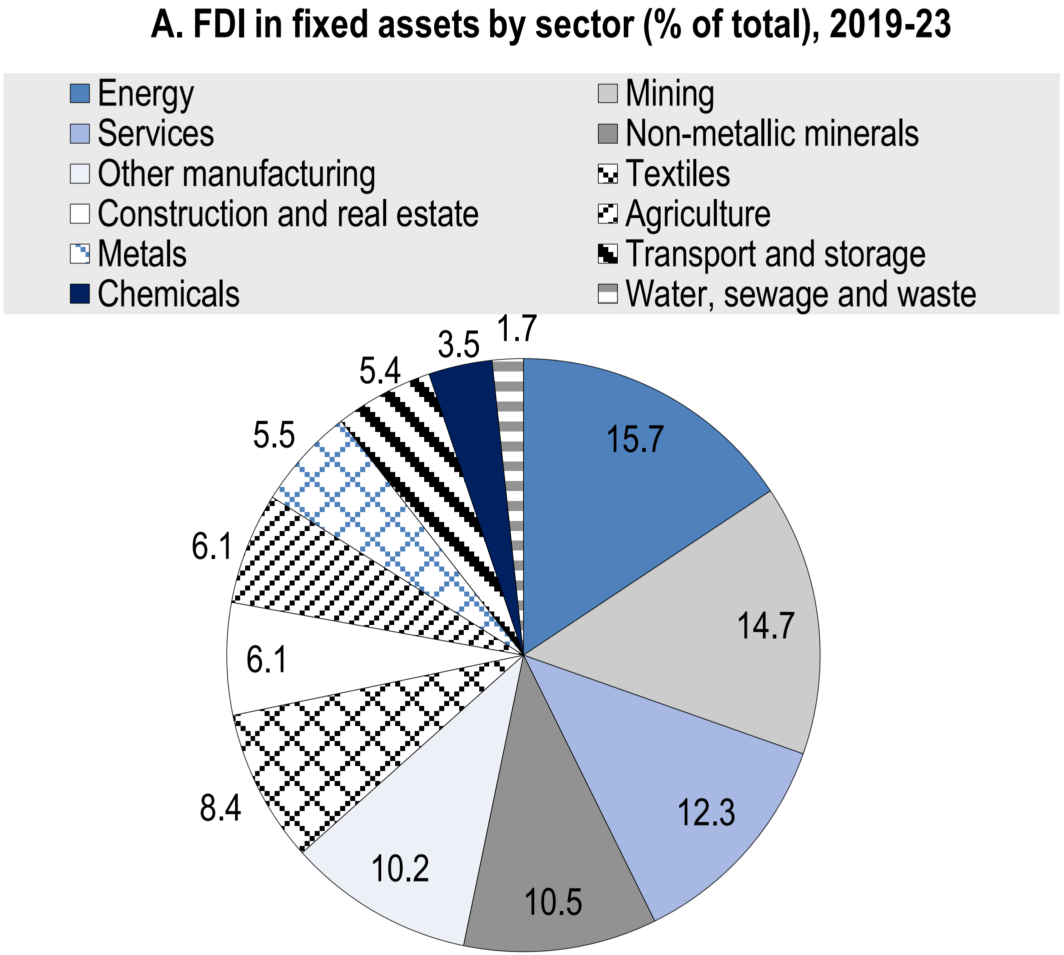
- Impacts on sustainable development
- Global value chain participation
- Regulatory and legal frameworks
- Investment promotion and facilitation
- Tax incentives
- Responsible business conduct
- Green and digital transition

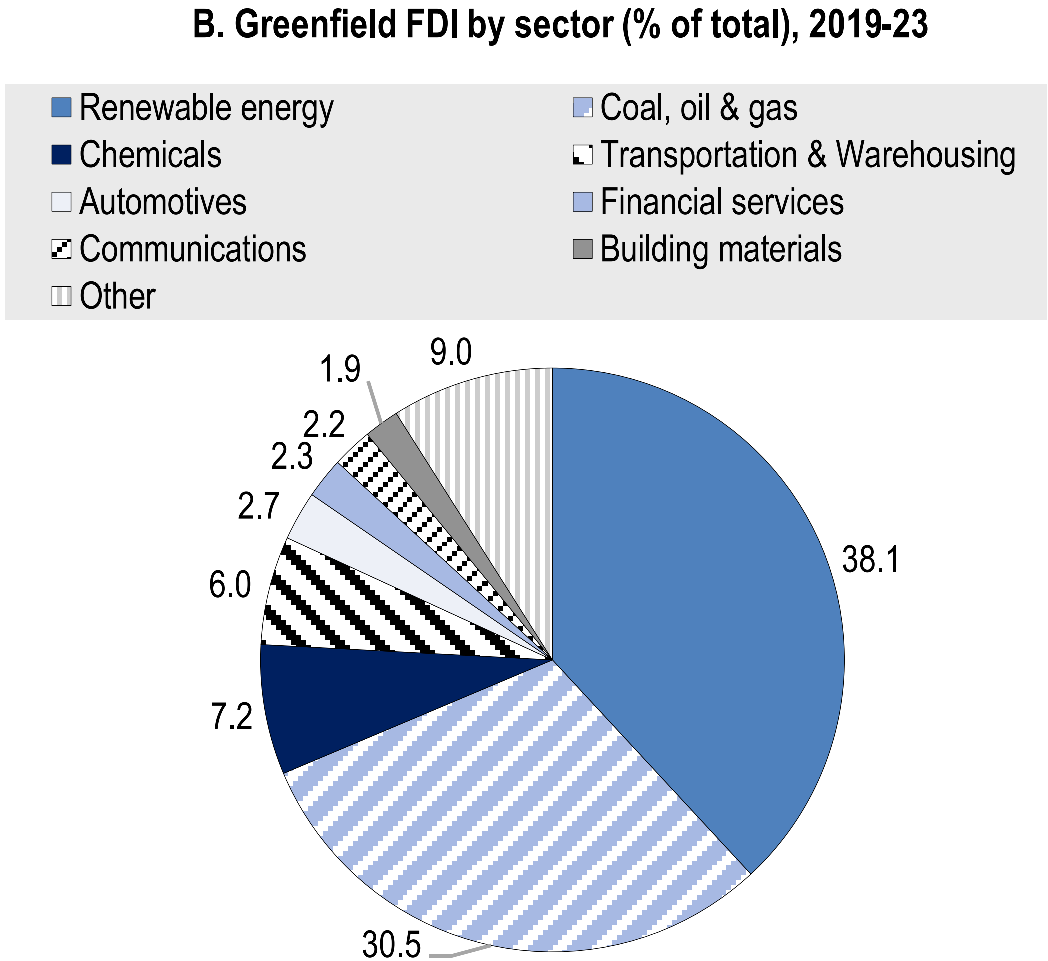
# FDI in renewables in Uzbekistan has strongly increased and exceeds FDI in fossil fuels




Source: OECD based fDi Markets Database and FDI Qualities Visualisation platform, https://www.oecd.org/en/data/dashboards/fdi-qualities-indicators-visualisation-platform.html

# Energy-intensive industries receive significant foreign investment

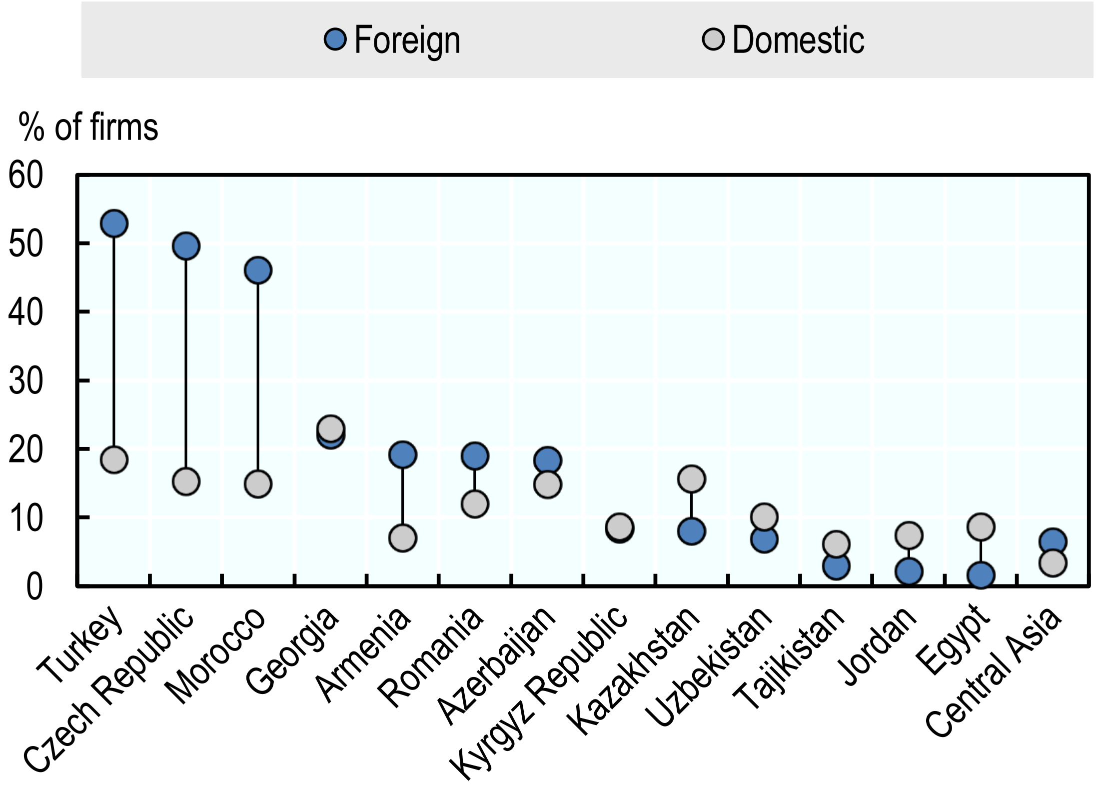


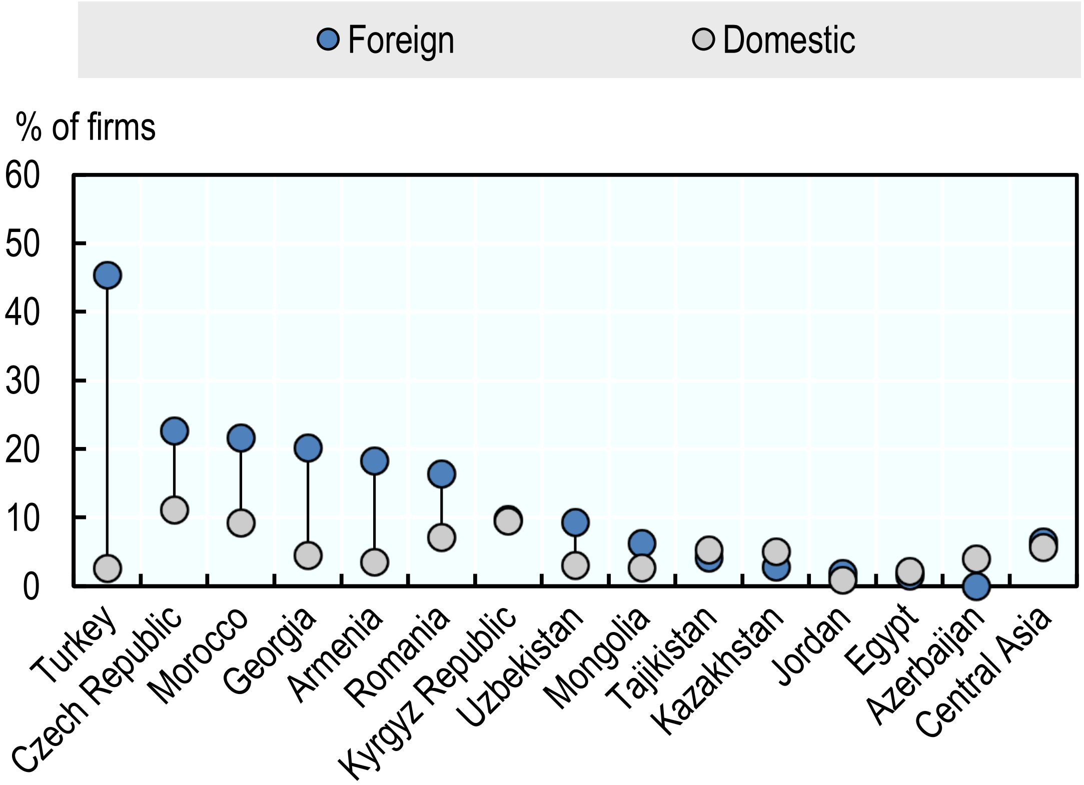

Source: Panel A: Official government statistics. Panel B: OECD based on Financial Times fDi Markets Database.

# Foreign firms' performance in green business practices varies across environmental outcomes

**A. Firms with strategic objectives mentionning environmental or climate issues (%), 2019**



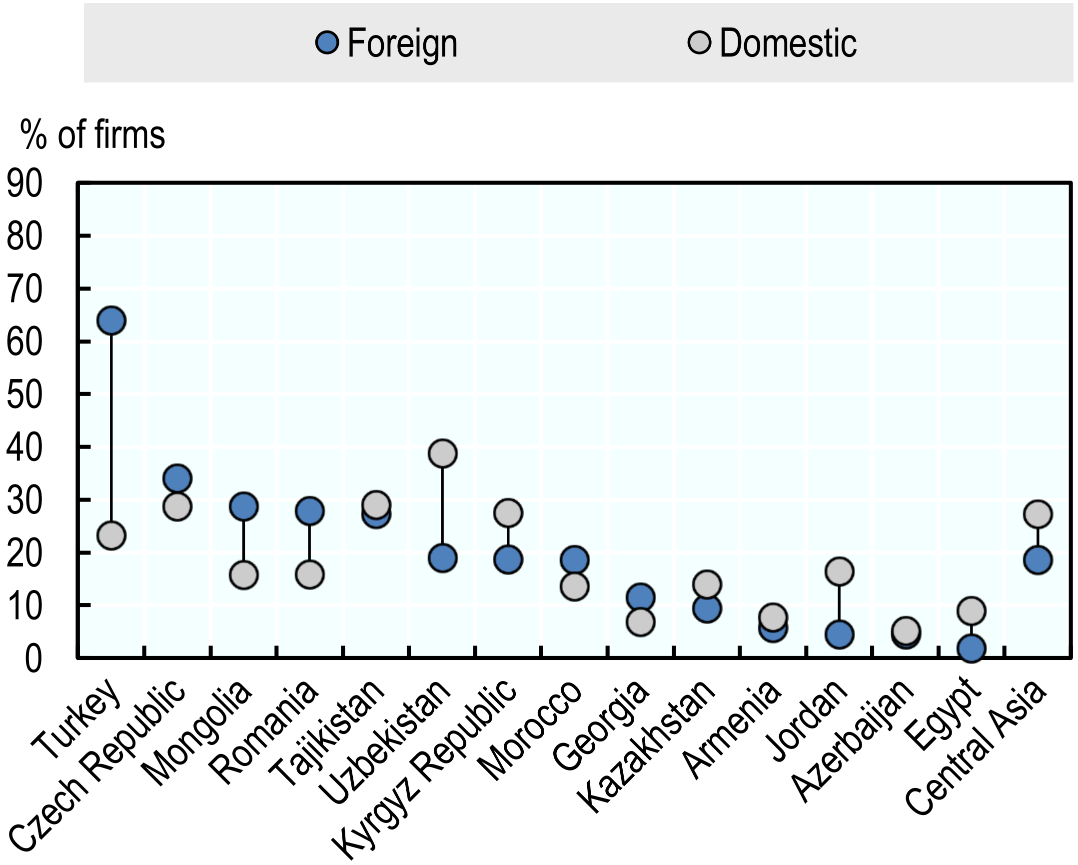

**B. Firms with a manager responsible for environmental or climate issues (%), 2019**



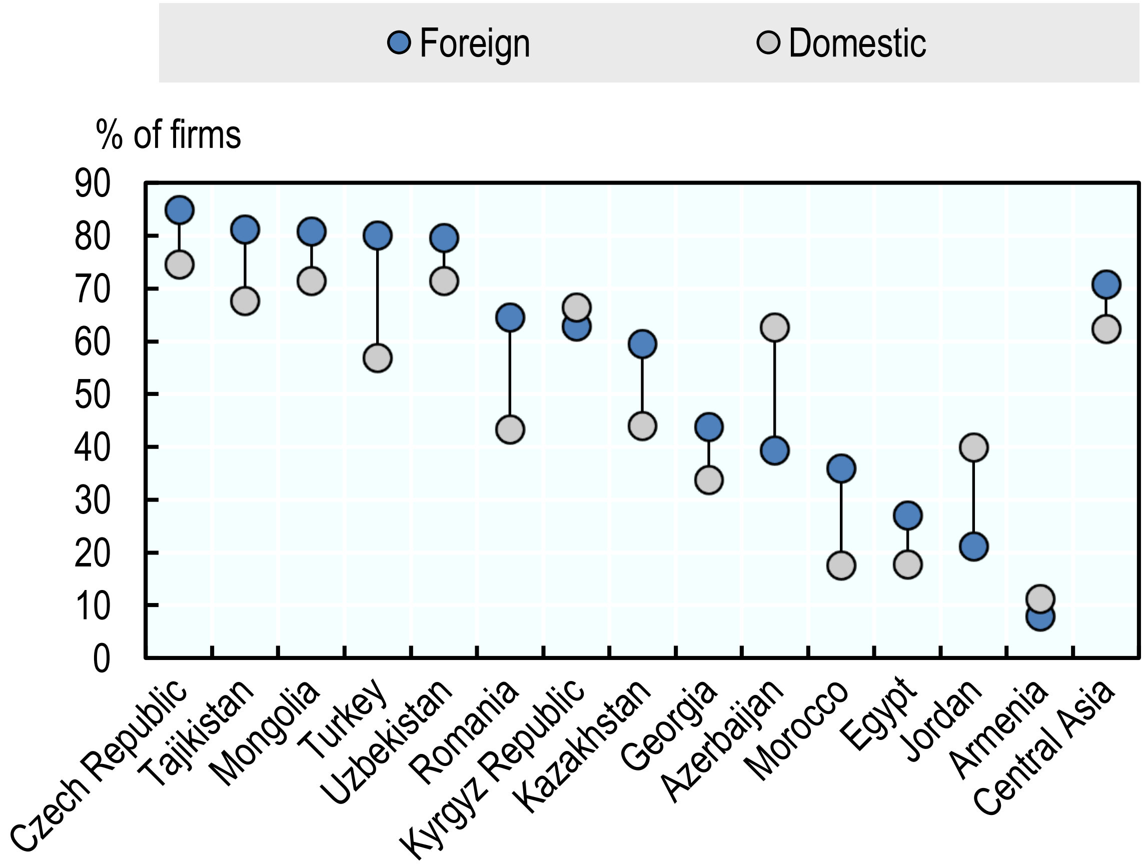

Source: OECD based on World Bank Enterprise Survey and FDI Qualities Visualisation platform, https://www.oecd.org/en/data/dashboards/fdi-qualities-indicators-visualisation-platform.html

# Foreign firms' performance in green business practices varies across environmental outcomes

**C. Firms with targets for energy consumption (%), 2019**




**D. Firms monitoring energy consumption (%), 2019**

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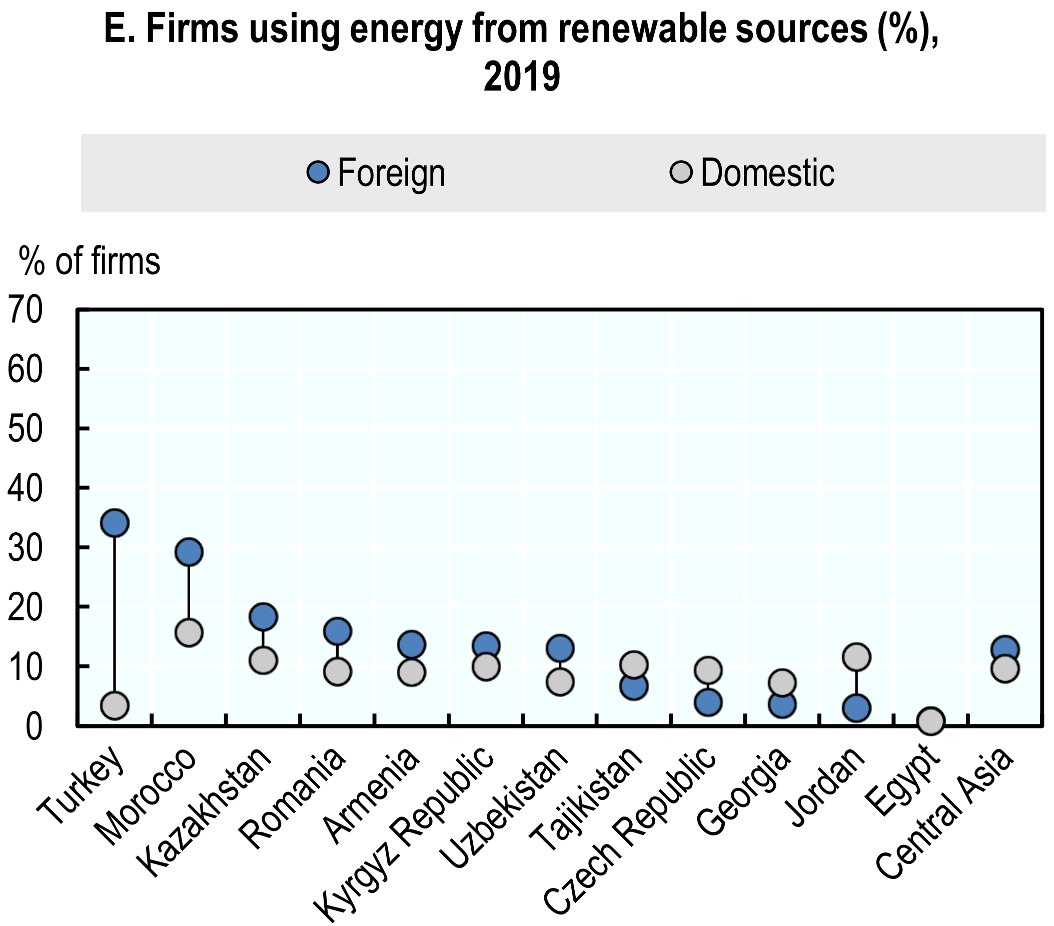


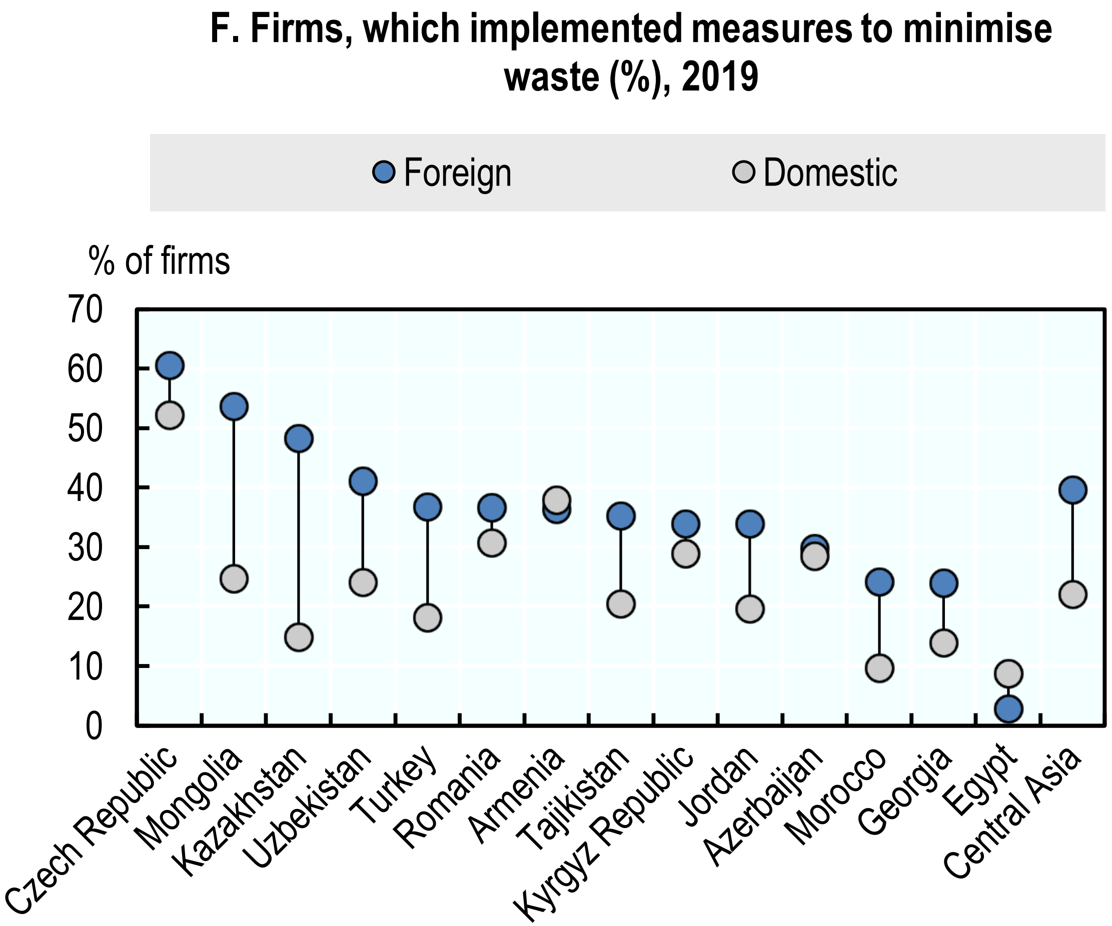


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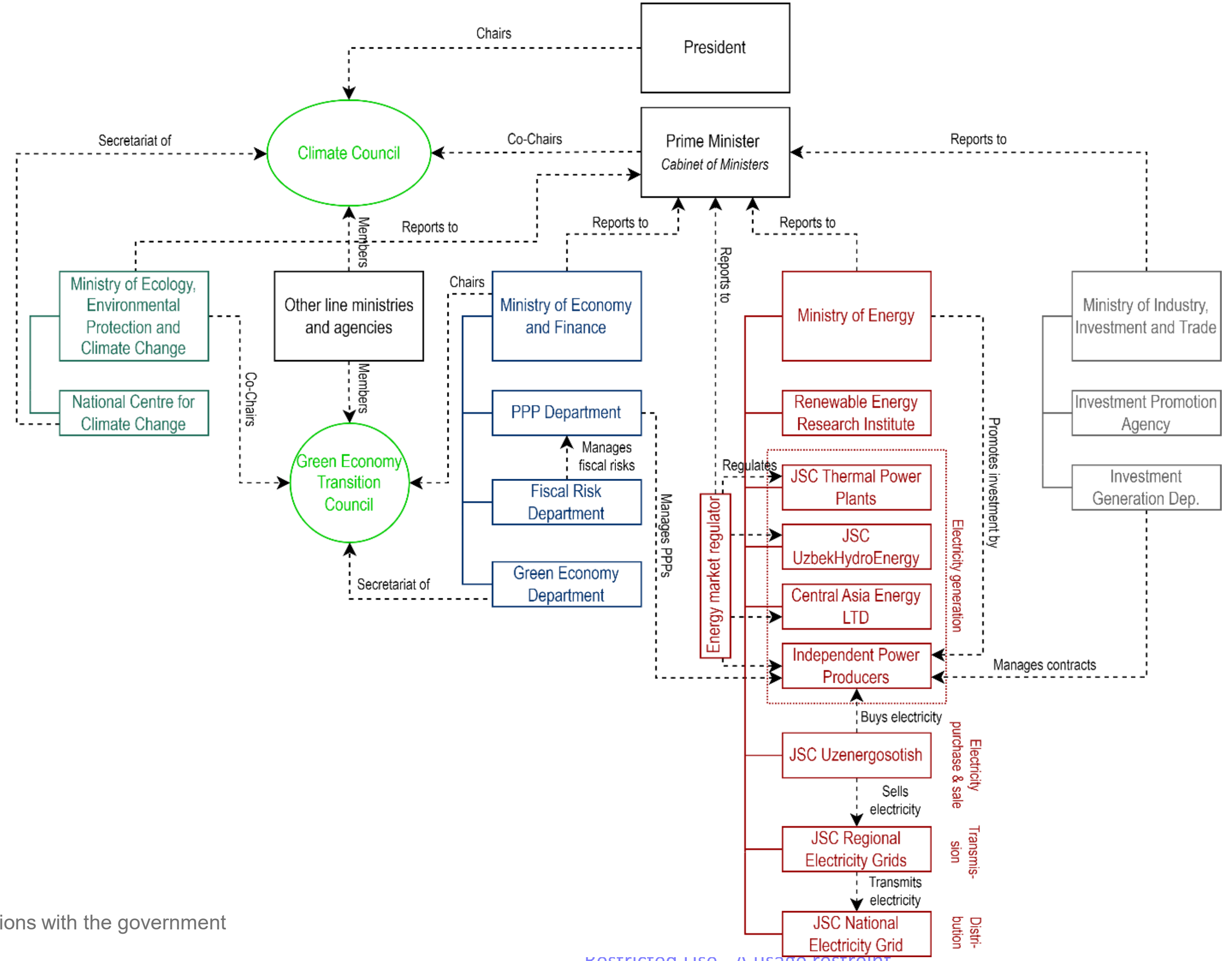
# A complex set of institutions manage Uzbekistan's green investment policies




Source: OECD based on consultations with the government

# Strategic and legal framework for green investment

| Strategic documents | Sector |
|---|---|
| Electricity Supply Security Concept of the Republic of Uzbekistan for 2020-2030 | Electricity |
| Electricity network development strategy of the Republic of Uzbekistan until 2025 | Electricity |
| Program of additional measures for the further development of hydropower for 2023 - 2030 | Electricity, water |
| Strategy for the Development of the Transport System of the Republic of Uzbekistan until 2035 | Transport |
| Strategy for solid waste management in the Republic of Uzbekistan for 2019-2028 | Waste |
| Concept on Environmental Protection until 2030 | Environmental protection |
| Concept for the Development of the Water Sector of the Republic of Uzbekistan for 2020-2030 | Water |

| Law | Sector/policy area |
|---|---|
| Law on the Power Sector | Energy |
| Law on Using Renewable Energy Sources | Energy |
| Law on Rational Energy Use | Energy |
| Law on Ecological Expertise | Environmental protection |
| Law on Environmental Control | Environmental protection |
| Law on Ambient Air Protection | Environmental protection |
| Law on Waste | Waste |
| Law on Nature Protection | Environmental protection |
| Law on Subsoils | Mining |
| Law on Water and Water Use | Water |
| Law on State Control of Activities of Economic Entities | Environmental protection |
| Law on Industrial Safety of Hazardous Production Facilities | Environmental protection |
| Law on Public-Private Partnerships | Infrastructure |

Source: OECD based on consultations with the government

# Strategic priorities for investment in renewable energies

- **Phase investments in solar and wind**: Allow more time for project design, grid upgrades, flexibility, and frequent competitive tenders to lower electricity costs.
- **Boost power system flexibility & grid**: Expand storage, demand management, regional trade, and grid upgrades, supported by electricity market reforms.
- **Strengthen PPP management**: Improve fiscal risk assessment, strategic project planning, disclosure of liabilities, and ensure competitive tendering.
- **Promote competition in power sector**: Establish wholesale/retail markets and consider partial privatisation of state-owned electricity assets.
- **Reform fossil fuel subsidies & pricing**: Gradually liberalise energy prices to strengthen SOEs, modernise infrastructure, and attract private investment, while expanding social support.
- **Refocus tax incentives**: Shift to expenditure-based incentives for renewables and phase out generous tax breaks for fossil fuels, especially oil and gas exploration.

# Strategic priorities for ensuring the environmental sustainability of investment projects

- **Promote and facilitate green investment more systematically**. This requires streamlining Uzbekistan's institutional set up for investment promotion and facilitation and adopting a national investment promotion strategy which addresses climate and environmental considerations.
- **Better enforce Environmental Impact Assessments**. This requires better enforcing public consultations prior to project development and ensuring that EIAs meet quality standards and are implemented in practice.
- **Leverage responsible business conduct (RBC) to promote environment- and climate friendly business**. Set out RBC-related expectations in investment and other policy areas, raise awareness and support businesses to apply RBC due diligence to address adverse impacts on environment, climate and biodiversity.
- **Improve the enabling conditions and framework for attracting green investment**. This includes building the professional capabilities and skills in demand by green investors. Policies to promote more low-carbon and environment-related innovation and stronger intellectual property protection could also enable more green investment.

# Thank you

## Contact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## For further information

Policy Framework for Investment

www.oecd.org/investment/pfi.htm

Investment Policy Reviews

www.oecd.org/investment/countryreviews.htm

FDI Qualities Initiative

www.oecd.org/investment/sustainable-investment

FDI Qualities Visualisation platform

https://www.oecd.org/en/data/dashboards/fdi-qualities-indicators-visualisation-platform.html