



Green Economy and Sustainable Development

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Abstract: This article analyzes the Republic of Uzbekistan's transition to a green economy model as a key public policy priority. Using a systematic analysis of regulatory legal acts, strategic documents, data from international organizations, and statistical reports, the author comprehensively examines the institutional, investment, and technological aspects of this process. Particular attention is paid to the role of renewable energy, green financing mechanisms, the implementation of circular economy principles, and progress toward achieving the Sustainable Development Goals (SDGs). The paper identifies key achievements and systemic barriers hindering environmental transformation and formulates recommendations for improving public policy. It is shown that, despite significant progress, Uzbekistan faces challenges in improving interdepartmental coordination and creating a full-fledged green financing infrastructure to achieve carbon neutrality.

Keywords: green economy, sustainable development, Uzbekistan, renewable energy, green financing, circular economy, Sustainable Development Goals (SDGs), investments in renewable energy sources, energy efficiency , ESG.

The transition to a green economy model is one of the five priority areas of the long-term Development Strategy "Uzbekistan 2030," which aims to ensure annual GDP growth of at least 6% to reach \$200 billion by 2030. 2025 has been officially declared the "Year of Environmental Protection and Green Economy" in the country. Under these circumstances, an analysis of the current



status, key achievements, and existing barriers to environmental transformation is particularly relevant for both the scientific community and public administration practitioners.

The purpose of this article is to provide a comprehensive analysis of Uzbekistan's transition to a green economy. To achieve this, the paper consistently examines the strategic foundations of public policy, the dynamics of the renewable energy sector's development, green financing mechanisms, and progress in implementing the Sustainable Development Goals.

The development of state policy on the green transition is based on a number of documents, the central one being Presidential Decree No. UP-16 of January 30, 2025, which approved the State Program for the Implementation of the "Uzbekistan 2030" Strategy during the "Year of Environmental Protection and Green Economy." The document provides for sustainable financing of projects aimed at the widespread implementation of green economy principles and the adaptation of the national economy to climate change. Achieving carbon neutrality in accordance with the requirements of the Paris Agreement is declared an important strategic goal.

The involvement of international financial institutions is a significant driver of this process. In December 2025, Uzbekistan and the Asian Infrastructure Investment Bank (AIIB) signed a \$500 million Green and Sustainable Market Economy Transition Program, implemented in partnership with the World Bank. This program is expected to help the government build a more effective governance system, support the transition to low-emission development, and enhance resilience to climate risks.

Renewable energy is the most dynamically developing sector of the green transformation. According to the Ministry of Energy, 12 solar power plants, 4 wind power plants, and 12 energy storage systems are scheduled to be commissioned by 2026. The total investment in these projects exceeds \$5 billion, and the combined generating capacity will be approximately 9 billion kWh. Furthermore, an investment agreement for the construction of a 1,000 MW



wind power plant has been signed with SANY Renewables in the Republic of Karakalpakstan .

The energy strategy also focuses on the development of small-scale hydropower : by 2026, 2,983 microhydropower plants with a total capacity of 167 MW are planned to be built, generating 500 million kWh of clean energy annually and saving 151 million cubic meters of natural gas. Significant investment in green energy is already yielding tangible results: according to 2025 estimates, natural gas savings from renewable energy sources amount to 1.5 billion cubic meters. The share of local content in renewable energy investment projects in 2025 is planned at \$737 million.

Energy efficiency is a key area for enhancing the national economy's competitiveness . The government has set the goal of converting 18 high-energy-consuming industries to autonomous power supply systems. Large industrial enterprises are required to reduce losses and install energy-efficient equipment.

Developing green financing instruments is critical to scaling up the green transition. The OECD notes that green bonds represent an additional viable source of financing, particularly for renewable energy projects. However, there is a significant gap between financing needs and the current level of public budget allocations for green projects.

In 2025, Uzbekistan planned to attract approximately \$250 million from international organizations for green and low-carbon development projects in the form of grants and concessional loans. As of April 2026, \$1 billion in sustainable financing had already been mobilized for the transition to a green economy . Key milestones included the debut issue of green Eurobonds by the Navoiyuran State Enterprise and the expanded use of carbon credits and ESG instruments.

The implementation of circular economy principles is supported by technical assistance from the World Bank, financed by the Korea Green Growth Trust Fund. The World Bank notes that nearly half of agricultural production never reaches the final consumer, leading to significant greenhouse gas



emissions, highlighting the enormous potential for improving resource efficiency.

In the 2025 Global Sustainable Development Goals Index, Uzbekistan rose to 62nd place (with a score of 73), with nearly 45% of its SDGs achieved or on track. A significant reduction in water stress from 169% in 2018 to 122% in 2022 and a reduction in poverty from 11% to 8.9% by 2024 are concrete results of this work. The analysis concludes that Uzbekistan has made significant progress toward a green economy. The country has created the necessary institutional framework, attracted large-scale investment in renewable energy, and begun implementing innovative financial instruments. However, further sustainable progress requires addressing a number of systemic issues, including improved interagency coordination, greater project transparency, enhanced ESG assessment mechanisms, and the creation of a comprehensive green finance infrastructure. Consistent implementation of strategic priorities during the "Year of Environment and Green Economy" creates the necessary preconditions for achieving the ambitious goal of carbon neutrality and establishing a sustainable, competitive economic development model in the long term.

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