

THE ACTIVITIES OF THE WORLD BANK AND ITS ROLE IN IMPLEMENTING STRATEGIC REFORMS IN UZBEKISTAN

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Annotation. *This article presents and analyzes the World Bank Group's relations with member countries, the activities of the World Bank and its projects worldwide, its importance in strategic reforms in the Republic of Uzbekistan, their results, and growth indicators. This article explores the multifaceted activities of the World Bank in Uzbekistan and analyzes its critical role in the implementation of strategic reforms across various sectors of the country. In recent years, Uzbekistan has embarked on an ambitious path of economic, social, and institutional reforms aimed at enhancing governance, improving public services, and fostering sustainable economic growth. The World Bank, as a key international financial institution, has significantly contributed to this transformation through financial support, technical assistance, and capacity-building initiatives. The article examines the major World Bank-funded projects in sectors such as education, healthcare, agriculture, energy, and infrastructure, as well as its policy advisory role in shaping reform agendas. Special attention is given to the effectiveness, transparency, and long-term impact of these reforms. The study also highlights challenges and recommendations for further strengthening the partnership between Uzbekistan and the World Bank in achieving inclusive and resilient development.*

Keywords: *World Bank, World Bank Group, IBRD, IDA, IFC, MIGA, ICSID, Member countries, Board of Governors, Board of Executive Director, Bank Group management and staff, GDP, sustainable market economy.*

I. INTRODUCTION.

The World Bank is an international financial institution that invests in developing countries and provides loans. The World Bank is both a financial institution and a knowledge organization, reflecting the central insight that effective development needs both money and ideas.¹⁶ It includes three independent international financial institutions (the International Bank for Reconstruction and Development, the International Finance Corporation, and the International Development Association) that have the status of a specialized agency of the United Nations. In some literature, the International Bank for Reconstruction and Development is also informally referred to as the World Bank. It was founded in 1944 in Bretton Woods (New Hampshire, USA), and is currently headquartered in Washington. The tasks assigned to the World Bank by the Bretton Woods international cooperation were reflected in the name given to it - the International Bank for Reconstruction and Development (IBRD). The main task was to finance economic development. If the World Bank's initial loans were aimed at restoring the economy of Europe after World War II, then it later turned its attention to restoring the economies of the world's backward countries. Currently, the main goal of the World Bank is to help the economic and social development of developing countries, increase the level of production in these countries, and improve the social conditions of the population.¹⁷

Nowadays, the World Bank Group is one of the world's largest sources of financing and specialized knowledge for developing countries. The five organizations that make up the World Bank Group, including the World Bank itself, are engaged in reducing poverty,

¹⁶ Katherine Marshall: The World Bank: From Reconstruction to Development to Equity/ Routledge-2008(pg-12)

¹⁷ <https://nsp.gov.uz/outinst?id=2>

improving human well-being, and promoting sustainable economic development in these countries.¹⁸ The World Bank has continually evolved, shaped by geopolitical changes, internal critiques, and shifting paradigms in development economics.¹⁹

The World Bank is the main recipient of funds in the world's capital and securities markets. In addition, the bank borrows directly from a number of countries through the sale of bonds and loans, the funds collected are used for the development of underdeveloped countries and are provided to them at low interest rates at affordable rates. The World Bank provides funds for countries that are able to obtain credit and repay it. However, the World Bank does not provide loans to rich countries or individuals. The organization has offices in about 140 countries, including all countries of Central Asia. Since 1947, the World Bank has financed more than 12,000 projects aimed at economic, social and infrastructural development in different parts of the world. In 2023, the bank allocated about \$ 73 billion in the form of concessional loans, credits and grants, helping countries in their efforts to combat poverty, develop their national economies and improve the well-being of their citizens.

The role of the World Bank in Uzbekistan is crucial to the country's economic and social reforms. It strengthens Uzbekistan's integration into the global economic system and promotes sustainable development through financial assistance, technical advice, and support in the infrastructure and social sectors.

II. LITERATURE REVIEW.

The World Bank, through its five constituent institutions—IBRD, IDA, IFC, MIGA, and ICSID—plays a pivotal role in supporting development efforts across the globe, particularly in low- and middle-income countries. Numerous scholarly works and policy documents have emphasized its contribution to reducing poverty, enhancing infrastructure, and promoting inclusive economic growth (The World Bank, 2024). “The Bank does not merely fund development; it shapes the very understanding of what development is and how it should be pursued”²⁰ “While the Bank often speaks of transparency and accountability, the reality on the ground, particularly in project execution, often reflects deep institutional contradictions.”²¹

“The World Bank has moved beyond structural adjustment to a more ambitious project: the construction of governance states that conform to liberal democratic and market principles.”²²

Furthermore, literature highlights the World Bank’s strategic approach in Uzbekistan through its Country Partnership Framework (CPF) for 2022–2026. This framework supports reforms focused on human capital development, private sector employment, and climate resilience. Additionally, concessional loans and technical assistance have been instrumental in ensuring sustainable growth and financial stability in Uzbekistan (World Bank, 2022).

¹⁸ <https://www.vsemirnyjbank.org/ru/who-we-are>

¹⁹ Devesh Kapur, John P. Lewis, Richard Webb: The World Bank: A Critical History/ Brookings Institution Press-1997(pg-88)

²⁰ David Williams: The World Bank and Social Transformation in International Politics. /Routledge-2008 (pg7)

²¹ Steve Berkman: The World Bank and the Gods of Lending./ Kumarian Press-2008(pg-45)

²² Graham Harrison: The World Bank and Africa: The Construction of Governance States./ Routledge-2004(pg-3)

III. METHODOLOGY.

This research employs a mixed-method approach, utilizing both qualitative and quantitative techniques. Document analysis. Review of official World Bank documents, national statistics, and legal frameworks. Comparative analysis. Comparison of Uzbekistan’s reform progress with that of other developing countries supported by the World Bank. Statistical analysis. Examination of economic indicators such as GDP growth, investment trends, poverty rates, and fiscal performance. Expert interviews (optional). Collection of insights from economic experts and government officials on project implementation and impact. This research employs a qualitative methodology to analyze the role of the World Bank in supporting and implementing strategic reforms in Uzbekistan. The study is based on a review of secondary data, including World Bank reports, government policy documents, reform strategies, scholarly articles, and statistical data from official sources such as the Ministry of Economy and Finance of Uzbekistan and international development databases. A comparative and analytical approach is used to assess the effectiveness of World Bank-supported initiatives across various sectors, including public administration, education, agriculture, and infrastructure. Case studies of specific reform programs, such as the Public Finance Management Reform Project and the Modernizing Uzbekistan's National Innovation System Project, are analyzed to illustrate the World Bank’s strategic contributions. Furthermore, the research utilizes a policy analysis framework to evaluate the alignment between Uzbekistan’s national development goals and the World Bank’s country partnership framework. Stakeholder perspectives, including interviews and statements from government officials, World Bank representatives, and independent experts, are incorporated where available to provide a multi-dimensional understanding of the reform process. The combination of document analysis and case-based review ensures a comprehensive understanding of both the strategic direction and the operational impact of the World Bank’s involvement in Uzbekistan’s reforms.

IV. RESULT AND DISCUSSION.

The World Bank has played a pivotal role in supporting Uzbekistan’s transition from a centrally planned economy to a more market-oriented and diversified system. Over the past decade, the Bank has significantly expanded its portfolio in Uzbekistan, with particular emphasis on improving governance, education, healthcare, infrastructure, agriculture, and the financial sector.

One of the major areas where the World Bank has had substantial impact is economic liberalization. Through budget support operations and technical assistance, the Bank has helped Uzbekistan simplify its tax system, improve fiscal transparency, and liberalize foreign exchange. This has resulted in increased investor confidence and a more open economic environment. The removal of currency restrictions in 2017, for instance, was widely regarded as a landmark reform backed by World Bank expertise.

Given Uzbekistan’s dependence on agriculture, particularly cotton and wheat, the World Bank’s support for water resource management and sustainable farming practices has been crucial. Projects such as the "South Karakalpakstan Water Resources

Management Improvement Project" have contributed to better irrigation efficiency, reduced water waste, and improved yields for farmers in the region.

In the education and health sectors, the Bank's involvement has led to the modernization of curricula, capacity building for teachers, and the digitization of health information systems. Initiatives like the "Modernizing Higher Education Project" are helping align academic outcomes with labor market needs, thereby reducing youth unemployment and underemployment.

Through financing and advisory services, the World Bank has supported infrastructure development projects, including road modernization, urban development in regional cities, and access to reliable electricity. These efforts contribute to improving living standards and economic competitiveness.

Another critical area of World Bank support is institutional reform. This includes assistance in creating independent regulatory bodies, strengthening the rule of law, and fostering civil service reform. As a result, public administration in Uzbekistan is becoming more transparent, accountable, and citizen-oriented.

The results of World Bank involvement in Uzbekistan demonstrate that strategic international cooperation can yield tangible and sustainable improvements in governance and socioeconomic development. However, challenges remain, particularly in ensuring that reforms are inclusive and reach rural and marginalized populations. Continuous monitoring, stakeholder engagement, and policy dialogue are necessary to maintain the momentum of reform. Furthermore, while the World Bank's financial and technical support is substantial, the ownership and political will of the Uzbek government are equally vital for successful implementation. The synergy between national vision and global expertise has been a defining feature of Uzbekistan's recent reform trajectory.

The World Bank Group is composed of five institutions:

- The International Bank for Reconstruction and Development (IBRD) lends to governments of middle-income and creditworthy low-income countries.
 - The International Development Association (IDA) provides interest-free loans, called credits, to governments of the poorest countries.
 - The International Finance Corporation (IFC) lends directly to the private sector in developing countries
 - The Multilateral Investment Guarantee Agency (MIGA) provides guarantees to investors in developing countries against losses caused by noncommercial risks.
 - The International Centre for Settlement of Investment Disputes (ICSID) provides international facilities for conciliation and arbitration of investment disputes.
- Although the World Bank Group consists of five institutions, only IBRD and IDA constitute the World Bank.

Through its five institutions, the Bank Group works in more than 100 developing economies, bringing a mix of financing programs and ideas to improve living standards and eliminate the worst forms of poverty.

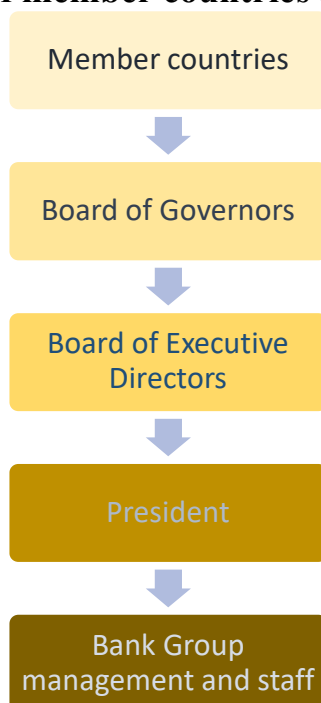
This role has grown in relative importance in the world of international finance in recent years as private sector net financial flows to developing countries have declined. The Bank Group is managed by its member countries (borrowers, lenders, and donors),

whose representatives are resident at the Bank Group's headquarters in Washington, D.C., and at country offices around the world.

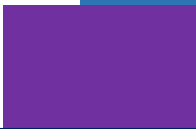
Many developing countries use Bank Group assistance--ranging from loans and grants to technical assistance and policy advice. Each of the five institutions of the World Bank Group has its own articles of agreement or an equivalent founding document. These documents legally define the institution's purpose, organization, and operations, including the mechanisms by which it is owned and governed. By signing these documents and meeting the requirements set forth in them, a country can become a member of the Bank Group institutions. In practice, member countries govern the Bank Group through the Board of Governors and the Board of Executive Directors. These bodies make all major policy decisions for the organization.

Table 1.

Relationship of member countries and the World Bank Group



The World Bank Group operates under the authority of the Board of Governors. Each of the member countries of the Bank Group institutions is represented by one governor, who is usually a government official at the ministerial level. There is one President Board of Governors serving IBRD, the International Finance Corporation (IFC), and the International Development Association (IDA), and a separate Board of Governors for the Multilateral Investment Guarantee Agency (MIGA). ICSID has an Administrative Council. Unless a government makes a contrary designation, its governor for the Bank sits ex officio on ICSID's Administrative Council. Once a year the Boards of Governors of both the Bank Group and IMF meet in a joint session known as the Annual Meetings. The views of member governments are represented throughout the year by the executive directors. General operation of the Bank Group is delegated to a smaller group of representatives, the Board of Executive Directors, with the president of the Bank Group serving as chairman of the board. The executive directors, sometimes referred to as EDs, are based at Bank Group headquarters in Washington, D.C. The Board of Executive

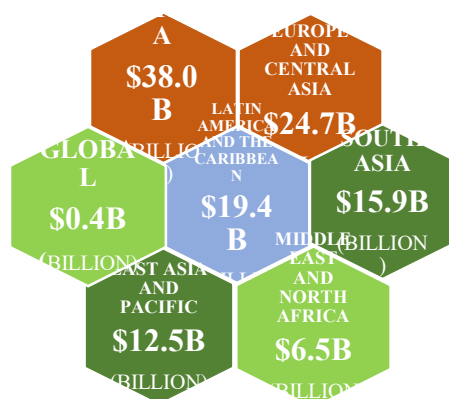


Directors is responsible for policy decisions affecting the Bank Group's operation, and for approval of all loans. The executive directors normally meet twice a week to oversee the Bank Group's business. Each executive director also serves on one or more standing committees: Audit, Budget, Development Effectiveness, Personnel, and Executive Directors' Administrative Matters.

IBRD has 24 executive directors. The five largest shareholders United States, Japan, Germany, France, and the United Kingdom-each appoints one executive director. The other countries are grouped into constituencies, each represented by an executive director who is elected by a country or group of countries. The members themselves decide how they will be grouped.²³

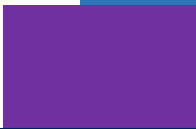
The World Bank Group contributes to impactful, meaningful development results around the world. In the first half of fiscal 2024 helped feed 156 million people, improved schooling for 280 million students, reached 287 million people living in poverty with effective social protection support, provided healthy water, sanitation, and/or hygiene to 59 million people, enabled access to sustainable transportation for 77 million people, provided 17 gigawatts of renewable energy capacity. Committed to devote 45 percent of annual financing to climate action by 2025, deployed equally between mitigation and adaptation. In fiscal 2024, the World Bank Group provided much-needed financing, conducted research and analysis, and partnered with governments, the private sector, and other institutions to address global development challenges. \$117.5B in loans, grants, equity investments, and guarantees to partner countries and private businesses. Total includes multiregional and global operations. Regional totals reflect IFC commitments that were recalculated to match the World Bank’s regional classifications bu aggregating country-level commitments within each World Bank region.

Table 2.



Across Europe and Central Asia, we aim to improve access to quality education and health services, advance the energy transition and water management, enhance economic prosperity and job creation, and improve physical and digital connectivity. In fiscal 2024,

²³ 2003 The International Bank for Reconstruction and Development /The World Bank(A guide to the World Bank) 1818 H Street, NW Washington

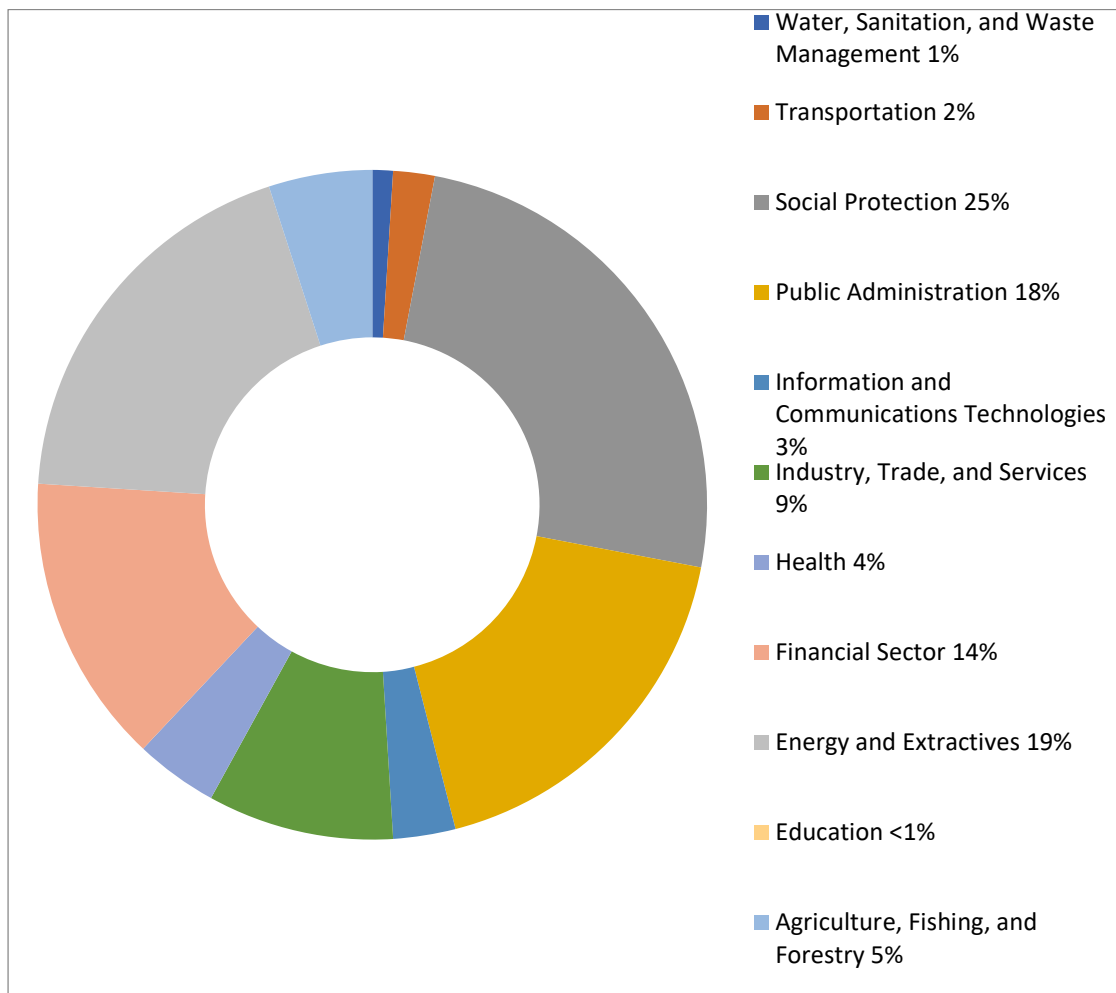


the World Bank approved \$10.4 billion for 50 operations in the region, including \$9.3 billion in IBRD commitments and \$1.1 billion in IDA commitments.²⁴

Table 3.

EUROPE AND CENTRAL ASIA

IBRD and IDA lending by sector fiscal 2024 share of total of \$10.4 billion



Since September 1992, the Republic of Uzbekistan has been a full member of the World Bank. Uzbekistan is part of the Swiss Group, along with the World Bank member countries Azerbaijan, Kazakhstan, Kyrgyzstan, Poland, Serbia, Switzerland, Tajikistan and Turkmenistan. In September 1992, a representative office of the World Bank was opened in Tashkent. Since March 2017, it has been headed by Mr. Hideki Mori. Currently, the State Committee for Investments is the World Bank's representative office in the Republic of Uzbekistan. In connection with the large-scale reforms implemented in Uzbekistan in 2017, the cooperation of the Central Bank with the World Bank Group has significantly intensified. The agreement was finalized following a visit by a World Bank delegation led by Global Practice Manager Alfonso Garcia Mora in September 2017, as well as the conclusion of the Uzbek delegation at the IMF and World Bank Annual Meetings in October 2017, which outlined areas of cooperation between the Central Bank

²⁴ <https://documents1.worldbank.org>

and the World Bank Group on a wide range of issues related to improving the banking sector, as well as addressing risks that may arise in the financial sector as a result of state reforms. Work began in the fourth quarter of 2017 in two areas: improving the regulatory framework for banking governance and supervision and developing a methodology for stress testing commercial banks. Several video conferences were organized by the Central Bank staff together with World Bank specialists, during which the main existing problems were identified and measures for conducting stress tests were coordinated. A schedule of measures for the revision of 4 normative documents of the Central Bank was developed: “On approval of the Regulation on requirements for the uniformity of capital of commercial banks”, “On approval of the Regulation on the classification of asset quality in commercial banks and the procedure for the formation and use of reserves to cover potential losses on assets”, “On approval of the Regulation on requirements for liquidity management of commercial banks”, “Recommendations on filling out the report on banking supervision submitted by commercial banks to the Central Bank of the Republic of Uzbekistan”.

On the development of the financial sector and private entrepreneurship, the World Bank technical assistance mission visited the Central Bank from December 12 to 15 and provided consultations to the staff of the Department of Prudential Supervision of Credit Institutions and Inspection of Credit Institutions. Further joint activities include the development of regulations on risk management and corporate governance, as well as a methodology for on-site inspections. Details of amendments to these regulatory documents will be discussed during the third mission of World Bank experts, scheduled for March-April of this year. In the area of stress testing, it is planned to receive technical assistance from World Bank experts in developing a methodology for stress testing in 2-3 large commercial banks, with the active participation of Central Bank employees in this process, training them and improving their skills. In addition, based on the proposal outlined in the World Bank's September 2017 Mission Summary Report, cooperation issues are being developed in the following areas in the medium-term (3-5 years):

- Consulting on bank consolidation (based on the analysis of the financial condition of individual banks, identifying risks, providing recommendations on measures to mitigate their consequences and correct them, taking into account potential restructuring or consolidation).
- Developing a methodology for managing stress situations in commercial banks
- Conducting a quantitative study of the impact of the introduction of Basel III in the banking system and developing this transition process.
- Modernizing the deposit insurance system
- Carrying out assessments within the framework of the Financial Sector Assessment Programs.²⁵

The World Bank has approved financing for Uzbekistan under the Development Policy Support Operation (a special financial instrument of the Bank that supports socio-economic reforms in countries around the world). The operation will support the

²⁵<https://cbu.uz/uz/about/international-cooperation/74826/>

Government of Uzbekistan in implementing strategic reforms, including building an inclusive economy focused on the private sector, developing market institutions, and ensuring equal opportunities for all citizens to benefit from economic growth. The World Bank’s assistance to the Government will be provided in the form of a financial package. It consists of US\$470 million in concessional loans and US\$480 million in low-interest loans.¹ “Despite the difficult situation in the world and in the Europe and Central Asia region, Uzbekistan is demonstrating its resolute commitment to reform,” said Tatyana Proskuryakova, World Bank Regional Director for Central Asia. “The current World Bank operation builds on our extensive financial and technical assistance to Uzbekistan since 2017 to help the country build an inclusive market economy. The World Bank’s new Country Partnership Program for 2022-2026 will support the implementation of priority reforms outlined in Uzbekistan’s Five-Year Development Strategy.” Financing provided by the World Bank under this operation will support the government’s ongoing reforms and actions, including: The funds will be provided by the World Bank’s lending institutions, the International Development Association (IDA) and the International Bank for Reconstruction and Development (IBRD). The IDA will provide three low-interest loans and an IBRD loan for terms ranging from 12 to 34 years (subject to IDA and IBRD financing terms). Develop and implement a new National Strategy for Social Protection of the Population to improve the effectiveness of the social support system for citizens, including poor and vulnerable families. Expanding state payments for maternity and paternity benefits to reduce the risk of discrimination against women working in the private sector. Increasing the number of non-bank credit organizations in the financial services market and improving the quality of services provided by such organizations in order to expand access to financing sources for small businesses. Developing new legislation in the areas of privatization of state-owned enterprises, development of competition, as well as regulation of insolvency processes of legal entities and individuals in order to improve the business environment and conditions for the development of the private sector. Expanding the participation of the private sector in the mobile telecommunications market to create a competitive environment for all participants. Increasing control over the financial activities of state-owned enterprises and improving their financial discipline. In the context of increasing global economic uncertainty, the increasingly complex situation in international financial markets, and rising prices for food products and energy resources on the world market, the World Bank provides financial support to the state budget within the framework of the current operation. As of December 16, 2022, the World Bank's country program in Uzbekistan included 27 projects. The projects are being implemented by the government with the support of the Bank in various key areas, in particular, poverty reduction, entrepreneurship development, macroeconomic reforms, water resources management, agriculture, water supply and sanitation, energy, transport, health, education services, social protection of the population, urban and rural infrastructure, innovation, tax administration, development of statistical agencies and financial systems, and other areas. In addition, the World Bank has

assisted the government in mitigating the consequences of the COVID-19 pandemic for the health of the population, the economy, and the well-being of citizens.²⁶

In May 2022, the World Bank Group’s new Country Partnership Framework for Uzbekistan was endorsed by the World Bank’s Board of Executive Directors. The document outlines the group’s financial and analytical support to the Government of Uzbekistan for the next five years in support of the National Development Strategy for 2022–2026. The CPF aims to expedite the country’s move towards an inclusive and sustainable market economy through three overarching goals: (1) boosting private sector employment, (2) enhancing human capital, and (3) facilitating a transition to greener growth that improves livelihoods and resilience. Additionally, the CPF seeks to help the Government of Uzbekistan in narrowing gender disparities and in fortifying citizen involvement and accountability within public services.

Since 2017, the World Bank’s financial and analytical assistance to Uzbekistan has significantly increased, reinforcing the government’s comprehensive market reform agenda. Today, the country is the World Bank’s third-largest client in the Europe and Central Asia region and has the region’s largest International Development Association (IDA) allocation.

As of October 1, 2024, the World Bank’s country program in Uzbekistan consisted of 24 projects, with net commitments totaling over \$4.7 billion. These projects are funded through highly concessional credits from IDA for over \$3.4 billion (or over 70% of the entire financing that the World Bank has provided to the country) and loans from the International Bank for Reconstruction and Development (IBRD) for \$1.3 billion.

World Bank-funded projects, which are implemented by respective government agencies, are pivotal in driving critical macroeconomic reforms and modernizing a wide array of sectors. These projects target improvements in agriculture, water and land resource management, water supply as well as sanitation, energy, transport, health, education, and social protection systems. These projects also focus on enhancing both urban and rural infrastructure, investing in institutional capacity building, and developing national innovation, tax administration, statistical, and financial systems. Moreover, the World Bank’s engagement in Uzbekistan includes a comprehensive suite of technical assistance, advisory, and analytical services provided to the government. These services support the preparation and implementation of national strategies aimed at poverty reduction, health, education, and social protection, as well as sector-specific reforms in energy, aviation, tax administration, and banking, as well as assisting Uzbekistan with acceding to the World Trade Organization (WTO).²⁷

Recent developments in the economy of Uzbekistan

In the first half of 2024, Uzbekistan’s real GDP grew by 6.4 percent, compared to 6.2 percent in the same period in 2023. This growth was supported by investment and private consumption. In the first half of 2024, real consumption growth accelerated to 6.8 percent. This was supported by rising wages and increased remittances. Real investment increased by 36.6 percent, and 29 percent of the total volume of this investment was

²⁶<https://thedocs.worldbank.org/en/doc/937073b92fe528c1207c041691e874eb-0080012022/original/DPO-5-PR-17-12-22-UZ.pdf>

²⁷<https://www.worldbank.org/en/country/uzbekistan/overview#strategy>

accounted for by foreign direct investment. In the first half of 2024, exports (in nominal terms in US dollars) grew by only 5.5 percent, compared to 24.7 percent in the previous year. Exports of services, food, and chemical products were among the leaders in growth. Exports of gold, textiles, and machinery decreased slightly. Imports increased by 11 percent in the first half of 2024, driven by an increase in imports of natural gas, machinery and equipment, and intermediate goods. Overall, Uzbekistan recorded a current account surplus of 1 percent of GDP in the first half of 2024, as remittance flows increased to 14 percent of GDP compared to 13 percent of GDP in 2023. This made it possible to cover the trade deficit of 13 percent of GDP in the first half of the year. As of August 31, 2024, Uzbekistan's gold and foreign exchange reserves increased by \$6.5 billion compared to August 2023, reaching \$39.2 billion. This amount will cover imports for nine months. In the first half of 2024, the share of budget revenues in GDP was 30 percent, and expenditures - 35.9 percent. As a result, the budget was executed with a deficit of 5.9 percent, which is higher than the indicator in the first half of 2023 (5.7 percent).

The peak of consumer inflation fell in June 2024 and amounted to 10.6 percent. This was mainly due to an increase in energy tariffs. However, after that, inflation slowed down to 10.5 percent in July and August. At the same time, food inflation slowed down to a record low and amounted to 2.9 percent in July. Average real wage growth of 7.2% in 2023 contributed to a reduction in poverty from 17.3% in 2022 to 16.9% in 2023 (applying the upper-middle income (UMIC) poverty line of \$6.85/day)

Economic Outlook of Uzbekistan

Uzbekistan's economy is projected to grow by 6.0 percent in 2024, then slow slightly to 5.8 percent in 2025. Strong consumption growth is expected to continue in 2024, supported by rising average real wages and high remittances. Import growth is expected to accelerate in 2024 and continue over the medium term to support economic modernization. The current account deficit is projected to narrow in 2024 compared to 2023, supported by strong remittances. The overall deficit is expected to narrow to 3.7 percent of GDP in 2024, driven by higher-than-expected nominal GDP growth and fiscal consolidation measures, in particular reducing energy subsidies and lending to state-owned enterprises, as well as improving revenue collection. Further fiscal consolidation is projected over the medium term. The budget deficit is expected to decline to 3 percent of GDP by 2025, driven by government tax cuts and expected privatization revenues. Headline inflation is expected to decline to 9 percent in 2025 and gradually approach the target of 5 percent in 2027. The government is expected to adhere to its external borrowing limits. At the same time, public debt is expected to decline to 35.9 percent of GDP in 2024 and 34.6 percent of GDP in 2025. Increased remittances from migrant workers and real growth in private consumption will further reduce poverty. According to forecasts, in Uzbekistan, the poverty line for upper-middle-income countries will decrease to 15.2 percent by 2024. Downside risks to this forecast include a deterioration in Russia's economic performance, increased external inflationary pressures, as well as more severe than expected conditions in global financial markets. Potential positive trends for the country include an increase in world prices for gold and copper (Uzbekistan is an exporter of these types of raw materials), as well as increased productivity growth in economic

sectors and an acceleration in the flow of foreign direct investment due to the government's structural reforms.²⁸

The country program in Uzbekistan is the largest in the Europe and Central Asia region after Turkey and Ukraine. Since 2017, the World Bank's financial and analytical assistance to Uzbekistan has tripled. Today, our project portfolio in the country consists of 27 projects with a total value of over \$6 billion, of which about \$2.4 billion is still in the development stage. It is worth noting that \$3.78 billion of these funds, or 60 percent of the bank's total investment in Uzbekistan, have been provided to the government in the form of concessional loans. They are being provided to the country at a very low interest rate for a period of 30 years, with a five-year grace period. These are the most advantageous credit instruments available to developing countries in international financial markets. To date, various forms of rural infrastructure improvement have been carried out in 297 villages with a population of 430,000. In particular, 5 medical institutions, about 80 rural schools and kindergartens, 75 power supply facilities, 127 water supply facilities, and 136 internal roads have been built or reconstructed. Since 2019, with the support of the World Bank and IFC, Uzbekistan has attracted private investment to launch four solar power plants and one wind power plant with a total capacity of 1.3 GW in a number of regions of the republic.

In May 2024, a new project supported by the World Bank Group was launched. The project involves the construction and commissioning of a 250 MW solar power plant with a 63 MW battery energy storage system in Bukhara region (this is the first power plant of its kind in Central Asia). The plant will provide about 75 thousand households with environmentally friendly and affordable electricity.²⁹

Another project in partnership with the World Bank, the "Digital Inclusion" project, has been launched. This project aims to train more than 6,000 young professionals and create more than 25,000 jobs. The project also includes the construction and reconstruction of information technology support service (ITES) centers and the attraction of more than 200 foreign and Uzbek ITES companies. For these purposes, the World Bank has allocated a loan to Uzbekistan in the amount of \$50 million. It is worth noting that in the first four months of 2024, IT companies in our country exported services worth a total of \$200 million, with an annual growth rate of 20%.³⁰

The World Bank plays a significant role in supporting Uzbekistan's development by providing financial resources, technical assistance, and policy advice for key projects. The World Bank's projects in Uzbekistan focus on fostering economic growth, improving infrastructure, strengthening social services, and supporting reforms. These projects have contributed to Uzbekistan's transition towards a more market-oriented economy, improved living standards, and better integration into the global economy.

²⁸ <https://thedocs.worldbank.org/en/doc/2097ec7d7c77c746912e8bf725dda059-0080012024/original/UZBEKISTAN-Snapshot-Oct2024-UZB.pdf>

²⁹ <https://www.vsemirnyjbank.org/ru/news/press-release/2024/05/21/uzbekistan-to-build-new-solar-plant-and-first-battery-energy-storage-system-with-world-bank-group-support>

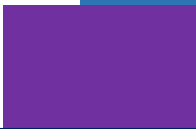
³⁰ https://uz.kursiv.media/uz/2024-05-14/ozbekistonda-it-xizmatlari-hajmi-20-foizga-oshdi-2/?utm_source=in_materials

V. CONCLUSION.

The World Bank plays a crucial role in global development and economic growth, especially for low-income and middle-income countries. The World Bank is an essential institution in the global economic system, providing financial resources, technical expertise, and policy advice to support the development of countries worldwide. By addressing fundamental issues such as poverty, infrastructure, education, and healthcare, the World Bank plays a crucial role in fostering sustainable economic growth, reducing poverty, and promoting global stability. The World Bank provides economic reforms and sustainable development through large loans and financial assistance to Uzbekistan. The World Bank plays an important role in modernizing Uzbekistan's public administration and economic system, increasing efficiency. Significant contribution to the development of transport, energy and infrastructure projects. Major projects to modernize the education system and improve the health sector. Financial assistance provided for the development of small and medium-sized businesses and improving the business environment. Ensuring environmental sustainability, effective management of water and land resources. The World Bank plays an important role in the economic and social development of Uzbekistan, making a significant contribution to the country's future sustainable growth. With its support, Uzbekistan can be more effectively integrated into the global economic system. Its efforts not only benefit individual countries like Uzbekistan but also contribute to a more stable and prosperous global economy.

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