

# THE ROLE OF INNOVATIVE PROJECTS IN THE ACTIVITIES OF BUSINESS ENTITIES IN THE GREEN ECONOMY

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## Abstract

The article analyzes the importance of the green economy in Uzbekistan and its impact on economic, environmental and social development. The main principles of the green economy, including energy efficiency, sustainable use of natural resources, combating climate change and approaches to solving environmental problems, are considered. The priorities of the transition to "the green economy", the purpose of the strategy for the transition to "the green economy" in Uzbekistan, the objectives, stages of development and the content of priorities are described.

**Keywords:** Green economy, green projects, green financing, Green Energy, Green Economy Development Strategy.

## Introduction

Currently, the main driving force behind the globalization process of countries worldwide is considered to be the transition to a new technological order under the conditions of the modernization of the world economy. For economically powerful countries, it is essential to enhance the efficiency and competitiveness of the economy, improve the quality of life of the population, and enhance the living and working environment in the new technological order. The Organisation for Economic Co-operation and Development (OECD) has developed a "green growth" strategy aimed at achieving this goal by 2030 and 2050. In Uzbekistan, an analysis of the priority directions for the transition to a "green economy," the organizational and economic mechanisms to ensure this transition, and the methodologies for assessing sustainable development under the conditions of this transition have been conducted.

In recent years, the escalation of global ecological problems, climate changes, and the depletion of natural resources have heightened the importance of the concept of green economy. The green economy is an economic model aimed at fostering economic growth without harming the environment, but rather enhancing it. The implementation of this model plays a crucial role in the innovation projects of business entities.

## Main Part:

For business entities, an innovative economy is a system where producers can increase profits by reducing costs through innovations, improving quality, or avoiding losses due to lagging behind competitors. Innovation is a critical factor for economic growth and development, and it plays an essential role in green entrepreneurship.

Creating a resilient, green economy requires a comprehensive approach that encompasses various strategies and initiatives. Some fundamental strategies that contribute to creating a flexible green economy serve as a basis for this effort.

Innovative projects in the activities of business entities play a significant role in the green economy. The green economy focuses on environmental protection and ensuring sustainable development. Innovative projects are developed to create new technologies, conserve resources, enhance energy efficiency, and address ecological issues.

Business entities can contribute to the green economy in the following areas:

1. *Renewable Energy Sources*: Developing new technologies for the production and efficient use of renewable energy sources such as solar, wind, geothermal, and others. This helps to reduce carbon footprints by expanding the use of environmentally friendly energy sources.

2. *Energy Efficiency*: Entrepreneurs can reduce energy consumption by developing energy-efficient technologies. For instance, energy-saving appliances, insulation materials, or high-efficiency construction technologies.

3. *Resource Recycling*: Reducing waste and using resources efficiently by recycling plastics, metals, and other materials. In this regard, developing new methods and optimizing production processes are of significant importance.

4. *Sustainable Agriculture and Food Production*: Implementing innovative projects in agriculture by producing eco-friendly products, conserving water, and minimizing the use of chemical agents.

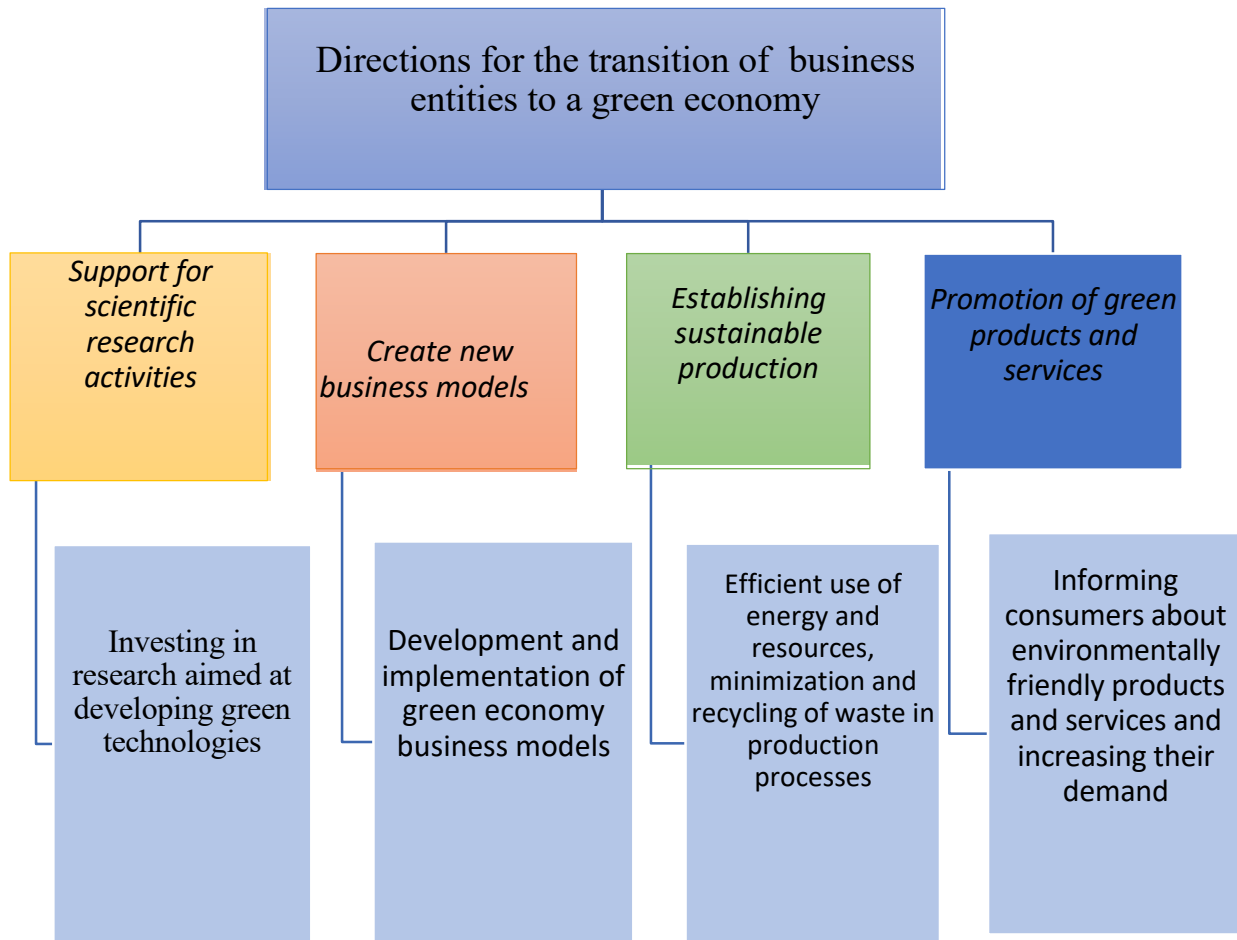
5. *Water Resource Management*: Developing innovative technologies for saving water, expanding access to clean water, and reducing water pollution is crucial in a green economy.

By creating new products, services, and technologies in these areas, entrepreneurs not only contribute to environmental protection but also support economic growth. The essential conditions for achieving sustainable development in a green economy are energy efficiency, waste reduction, and maintaining ecological balance through innovative projects.

Entrepreneurs are a vital driving force in the transition to a green economy. They have the opportunity to implement innovative ideas, test new technologies, and offer competitive green products and services in the market.

In Uzbekistan, the transition to a green economy is one of the priority directions of state policy. The government is implementing a series of measures to support green technologies, encourage the use of renewable energy sources, and introduce ecological standards. Broad opportunities are being created for business entities to implement innovative projects in the green economy.





**Fig. 1. Directions for the transition of business entities to a green economy**

The priority directions for implementing Uzbekistan's strategy for transitioning to a "green" economy have been identified as follows:

- Increasing energy efficiency in the basic sectors of the economy;
- Diversifying energy resource consumption and developing the use of renewable energy sources;
- Adapting to and mitigating the effects of climate change, increasing the efficiency of natural resource use, and preserving natural ecosystems;
- Developing financial and non-financial mechanisms to support the "green" economy.

Uzbekistan has the potential to utilize renewable energy sources such as solar, wind, and biogas. Since the beginning of 2020, investment in the renewable energy sector has significantly increased. By 2025, Uzbekistan plans to raise the share of renewable energy sources to 25%. Additionally, new solar power stations with a capacity of 4.7 gigawatts are being constructed in the country. In 2022, the amount of energy generated from renewable sources reached 7.5 billion kWh, which is 2.3 times higher than in 2020. At the same time, the share of wind energy utilization reached 1%.

Uzbekistan's water resources are very limited, with 95% of the country's land being arable. This necessitates water resource conservation, efficient utilization, and modernization of irrigation

systems. Many projects are being implemented at the state level to update irrigation systems and promote water-saving practices. Uzbekistan consumes an average of 53 billion cubic meters of water annually, of which 80% is used for agriculture. In 2023, there are plans to attract \$500 million in investment for the modernization of irrigation systems.

Agriculture is a crucial sector in Uzbekistan, and the application of green economy principles in this field is essential for ensuring ecological sustainability. There are prospects for developing environmentally friendly agriculture, producing organic products, and reducing the use of pesticides. It is also possible to increase productivity and diversify crop types by applying eco-friendly agro-technologies. In 2023, the share of environmentally friendly agricultural products in Uzbekistan increased from 5% to 12%. The implementation of eco-friendly technologies in organic cotton and grain production rose by 10%.

Reducing waste and recycling are important components of the green economy. The waste recycling system in Uzbekistan is developing, but there are still significant opportunities in this area. The country has a waste recycling rate of only 12%. However, through waste recycling and proper management, Uzbekistan can not only ensure ecological sustainability but also create new jobs. In 2022, Uzbekistan produced 8.5 million tons of waste, of which only 12% was recycled. Moreover, the government has plans for waste recycling development until 2025. "Adapting the main sectors of Uzbekistan's economy to climate change, achieving carbon neutrality, and significantly increasing the share of 'green' energy will remain a strategic task." Therefore, in the near future, it is a priority to achieve sustainable development based on the principles of a green economy while effectively utilizing existing social and economic resources and opportunities, organizing production processes, adapting the main sectors of the economy to climate change, and substantially reducing environmental protection issues, which will ensure the sustainable development of the country's economy.

### **In conclusion**

It can be stated that the innovative projects of entrepreneurial entities play a decisive role in the development of the green economy. Innovations can increase energy efficiency, promote the rational use of resources, reduce environmental pollution, and produce environmentally friendly products. The transition to a green economy in Uzbekistan is supported by state policy, and it is crucial for entrepreneurs to actively participate in this process. Investing in a green economy not only helps solve environmental problems but also ensures economic growth and creates new jobs.

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