



Normative and legal basics of implementation of project management system in the industrial enterprises of Uzbekistan

Sarvar Mutalov, an independent researcher at the Academy of Public Administration under the President of the Republic of Uzbekistan. e-mail: s.mutalov@gmail.com

Abstract

Large scale reforms aimed at modernizing industrial enterprises are being carried out with intensity In Uzbekistan. Implementation of these projects on the basis of new and modern methods of management is one of the key factors in ensuring their effectiveness. The article describes the regulatory framework created in the Republic of Uzbekistan for the introduction of international standards of project management in industrial enterprises and formulates recommendations for their application.

Keywords: Modernization, project management, international standards, regulatory framework, investment attractiveness, investment projects, efficiency, financing, public procurement, high-tech production, resources, profitability, expertise.

Introduction. The application of international standards of project management is put forward as the most important criteria for the implementation of reforms aimed at improving the activities of industrial enterprises in Uzbekistan. Indeed, it can be observed that improving the efficiency of investment projects involved in the modernization of industrial enterprises in the country has risen to the level of public policy.

These trends are reflected not only in the essence of the regulatory framework created in Uzbekistan, but also in the implementation of project management systems in the activities of government agencies, as well as industrial enterprises, firms and companies. The country has formed a basic



<http://academicjournalonline.org/index.php/ijtmm>

regulatory framework for the legal regulation of the project management process of state and economic bodies at the national level.

In particular, on July 24, 2017, the Presidential Decree of the Republic of Uzbekistan No.PD–5120 “On measures to introduce a project management system in the Republic of Uzbekistan” was adopted. It is noted that large-scale work is being carried out in our country to comprehensively and dynamically develop the economy, strengthen macroeconomic stability, actively attract foreign investments, as well as modernize industry and build modern high-tech production.

At the same time, the analysis noted in the normative and legal acts and mass shows that there are a number of shortcomings that hinder the effective implementation of the tasks of integrated socio-economic development, the timely identification and elimination of obstacles to reforms in the country.

On December 18, 2017, the Presidential Resolution of the Republic of Uzbekistan No.PR–3437 “On the introduction of a new procedure for the formation and financing of state development programs of the Republic of Uzbekistan” was adopted. In the Resolution, there was noted that a large-scale work is being carried out in the country to implement major infrastructure projects, accelerate economic development, build foreign high-tech production facilities and actively attract foreign investment. However, it was noted that the efficiency of activities in the field is negatively affected, first of all, by the irrational use of available resources, a superficial study of the economic feasibility and profitability of projects included in the investment program.

Initiation of economically unpromising projects due to the lack of existing resources, as well as the concept of long-term development to attract investment, primarily foreign investment, the inefficient use of financial resources leads to a decrease in the country's investment attractiveness.

The Fund for Financing State Development Programs of the Republic of Uzbekistan has been established under the Cabinet of Ministers of the Republic of Uzbekistan. The procedure for financing projects included in the state development programs, with centralized sources of funding, can



<http://academicjournalonline.org/index.php/ijtmm>

be implemented only through the Fund, the procedure for accumulation of the Fund's funds in the accounts of the Central Bank of the Republic of Uzbekistan.

This normative and legal document states that there is no concept of long-term development of economic sectors and regions, taking into account the real potential of attracting project resources, including investment, and most importantly, foreign investment to improve the economic, social and public administration of the country. As a result, it is noted that the initiation of projects that are not economically unpromising, the inefficient use of financial resources, which ultimately leads to a decrease in the investment attractiveness of the country as a whole¹.

Another important normative legal document in the field of project management, implementation of state programs in our country was adopted on January 8, 2018. In the Presidential Resolution of the Republic of Uzbekistan “On the formation and implementation of state development programs of the Republic of Uzbekistan, the creation of an effective system of complex examination of documents in the framework of public procurement” No.PP–3464 the issue of creating an effective system of complex examination of projects, their pre-project, project and tender documents, terms of reference was raised.

In any country, there is a need for an institution that implements public policy in the implementation of the project management system. By the Presidential Resolution of the Republic of Uzbekistan “On the organization of the National Agency for Project Management under the President of the Republic of Uzbekistan”, there was established an institution under the name of “National Agency for Project Management under the President of the Republic of Uzbekistan”. The organizational structure of the Agency and its charter regulating its activities were approved. Procedures for the establishment of the institution and its powers have been determined.

It is known that one of the three main limitations of any project is the financial resources allocated to the project. These financial resources are a key factor in the procurement of the project. Transparency and efficiency of the procurement process lays the foundation for project success.



<http://academicjournalonline.org/index.php/ijtmm>

Presidential Resolution of the Republic of Uzbekistan “On the formation and implementation of state development programs of the Republic of Uzbekistan, the creation of an effective system of comprehensive examination of documents in the framework of public procurement” was the basis for significant changes in the above procedures.

The Center for Complex Expertise of Projects and Import Contracts was established under the National Agency for Project Management under the President of the Republic of Uzbekistan by the document. Later, the center was transferred to the system of the Ministry of Economic Development and Poverty Reduction of the Republic of Uzbekistan and reorganized into the State Unitary Enterprise “Center for Complex Examination of Projects and Import Contracts” under this ministry².

It is no exaggeration to say that the Law of the Republic of Uzbekistan “On Public Procurement” is one of the most important normative and legal acts regulating the financing of projects in the framework of the introduction of the project management system in our country.

The introduction of the project management system is one of the important reforms that directly affect the investment attractiveness of our country. Although domestic investment plays a special role in improving the country's economy, social issues and public administration, foreign investment is a very effective factor in today's Uzbekistan, where large-scale reforms are underway.

The functions of the Project Office, which is responsible for coordinating and supervising the activities of executive agencies in the implementation of investment projects with the participation of international financial institutions and foreign government financial institutions, have been transferred to the State Committee for Investment of the Republic of Uzbekistan. Project coordination groups have been removed from each ministry's office system and transferred to the Project Office system, establishing a mechanism to coordinate their activities. The main tasks of the project office have been identified.

While these documents provide the regulatory framework for the project management system introduced in our country, standards for project management, such as ISO 21500, ISO 10006, ГОСТ, PMBOK, ICB IPMA,



<http://academicjournalonline.org/index.php/ijtmm>

P2M, C-PMBOK, PRINCE2, APMBOK, create project management systems and standards in our country served as a basis and model for. O`zDSt ISO 21500:2018, O`zDSt ISO 21501:2018, O`zDSt ISO 21502:2018, O`zDSt ISO 21503:2018, O`zDSt ISO 21504:2018, which includes guidelines for the management and management of projects, programs and portfolios in our country standards have been adopted.

Presidential Resolution of the Republic of Uzbekistan dated June 1, 2017

No.PP–3028 “On measures to accelerate the development and further management of the automotive industry in 2017-2021”, July 18, 2019 “On additional measures to accelerate the development of the automotive industry of the Republic of Uzbekistan” Resolution No.PP–4397 and Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated January 31, 2020 No.55 “On measures to increase the level of localization of truck production and accelerate investment in the automotive industry” was adopted.

It aims to ensure more sustainable development of the automotive industry through modernization of production and attract the world's leading truck manufacturers as strategic partners, fully meet the needs of the country in modern high-efficiency technologies, accelerate investment in the automotive industry and increase localization.

Achieving this goal requires the introduction of modern international standards of project management in the activities of industrial enterprises.

Based on the above, we can conclude that our country has adopted key regulations on the introduction of project management systems, including project financing, especially the introduction of modern methods and principles of attracting investment for projects.

At the same time, on the basis of foreign experience and consumer requirements, we consider it expedient to systematically work to further improve the regulatory framework for the introduction of project management systems in industrial enterprises of the country.



References:

1. Benko K., McFarlan F.W. Project portfolio management. Compliance of projects with the strategic goals of the company. M.: Williams, 2007. -- 240 p.
2. Anshin V.M. Project management taking into account the concept of sustainable development / V.M. Anshin // Research and development. Russian journal of project management. - 2013. - No. 2. - S. 3-15.
3. Harper-Smith P. Project Management: trans. from English / P. Harper-Smith, S. Derry. - Moscow: Business and Service, 2011. --240
4. Lawrence Leach. On time and on budget. Critical chain project management. M.: Alpina Publishers, 2010. -- 360 p.
5. Patrick Harper-Smith, Simon Derry. Project management. M.: Delo i Service, 2014. -- 240 p.
6. Gordon Webster. Project planning and management for managers. M.: Delo and Service, 2016. -- 272 p.
7. Balashov V.G., Zalozhnev A.Yu., Novikov D.A. Organizational project management mechanisms. Moscow: IPU RAN, 2003. -- 83 p.

¹ Presidential Resolution of the Republic of Uzbekistan dated 18.12.2017 No.PP-3437 "On the introduction of a new procedure for the formation and financing of state development programs of the Republic of Uzbekistan"

² Paragraph 1 of the Presidential Decree of the Republic of Uzbekistan dated 10.01.2019 No.PF-5624 "On measures to further improve the activities of the National Agency for Project Management under the President of the Republic of Uzbekistan", item "a".