Development of the Renewable Energy Sector in Uzbekistan

Malika Elchieva[1], Nurgazy Erkinbay uulu[1], Saidaxon Nabiyeva[2,5], Mehdi Bagirov[3], Fazilat Jomonkulova[4], Han Wu[1], Bektur Omurzakov[1] and Nargiza Egamberdiyeva[2]
[1]*Osh Technological University, Isanov Str. 81, 723503 Osh, Kyrgyzstan*
[2]*Tashkent State Transport University, Temiryolchilar Str. 1, 100167 Tashkent, Uzbekistan*
[3]*Azerbaijan State Oil and Industry University, Azadlig Avenue, AZ1010 Baku, Azerbaijan*
[4]*Samarkand Institute of Economics and Service, A. Temur Str. 9, 140100 Samarkand, Uzbekistan*
[5]*University of Tashkent for Applied Sciences, New Sergeli Road, 700012 Tashkent, Uzbekistan*
saidaxon.nabiyeva78@gmail.com, malikaelchieva75@gmail.com, hnsqwh123@gmail.com, egamberdiyevanargiza975@gmail.com, m.bagirov.edu@mail.ru, jamanqulovaf72@gmail.com,

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Abstract: This article presents an analytical review of the development of the renewable energy sector in Uzbekistan during the period 2021-2025. The study includes an assessment of investment dynamics, renewable electricity generation, and the implementation of large-scale solar and wind power projects, along with an analysis of the regulatory framework and state support mechanisms. The results reveal a significant increase in investment and clean energy production, contributing to the reduction of environmental impacts, creation of new jobs, and strengthening of the country's energy security. A comparative analysis with international practices is conducted, identifying both internal and external barriers to sectoral development and proposing policy recommendations aimed at improving the effectiveness of government support, infrastructure expansion, and the integration of innovative technologies. The article also explores the social and environmental implications of renewable energy deployment and outlines the growth prospects of the sector up to 2030. The scientific analysis indicates that further development requires enhanced state support through the establishment of long-term tariff mechanisms, expansion of financial instruments (e.g., green bonds, joint financing funds), and the adoption of energy storage innovations and digital management systems. Furthermore, international cooperation and knowledge exchange are identified as key drivers for accelerating progress. The findings confirm Uzbekistan's high potential in the field of green energy and emphasize the necessity of systemic reforms to achieve strategic objectives for sustainable development and climate neutrality. The outcomes of this research can serve as a scientific and policy foundation for national energy programs, academic studies, and investment strategies in the renewable energy domain.

1 INTRODUCTION

In recent decades, sustainable development and energy security have become critical issues worldwide. Rapid economic growth has led to increasing energy consumption, while traditional resources such as oil, gas, and coal face limitations due to depletion and environmental impacts. Renewable energy sources (RES) have emerged as a key component of global strategies to ensure a reliable and environmentally sustainable energy supply [1], [2]. The deployment of RES contributes not only to reducing greenhouse gas emissions but also to fostering technological innovation and decreasing dependence on imported fuels. In this context, government policies play a crucial role by establishing regulatory frameworks and adopting supportive measures that facilitate the development and expansion of the renewable energy sector [2], [13].

Global initiatives, such as the 2015 Paris Agreement, set clear targets for reducing greenhouse gas emissions and transitioning to a low-carbon economy [3]. Signatory countries are required to develop national renewable energy action plans and fulfill their international commitments, highlighting the increasing importance of well-structured national programs. International organizations, including the International Energy Agency (IEA) and the World

Bank, actively support renewable energy initiatives through financial instruments and technical expertise [1], [4], while national legal systems provide the foundation for strategies, standards, and regulations that guide the sector's development.

Uzbekistan possesses significant potential for renewable energy due to favorable climatic conditions, abundant natural resources, and strategic geographic location [5]. Despite this potential, renewable energy penetration in the country remains relatively low compared with leading global economies, largely as a result of limited regulatory frameworks, insufficient state support, and challenges in project implementation [5], [11]. In recent years, the government has shown growing interest in solar, wind, and hydropower projects, yet large-scale deployment requires a comprehensive national strategy that includes incentive mechanisms, regulatory reform, and expansion of infrastructure and technological capacity.

This study aims to analyze the current state of government policy and regulatory frameworks for renewable energy deployment in Uzbekistan and to propose effective policy instruments to accelerate sectoral development based on international best practices and empirical analysis. The research examines international standards and policy approaches, evaluates the existing legal environment in Uzbekistan, identifies key barriers and drivers of renewable energy deployment, and develops targeted recommendations to improve policy and support mechanisms. Furthermore, a conceptual model for designing effective policy tools is presented to guide sustainable growth in the sector [4], [13].

The methodology combines system analysis, comparative legal review, expert assessment, and modeling techniques, drawing on official government documents, academic literature, reports from international organizations, and national statistical data [4], [13]. The findings of this study are expected to inform the development of new policy strategies, regulatory measures, and state support mechanisms that promote renewable energy growth, strengthen energy independence, improve environmental sustainability, and enhance investment attractiveness. Future research should focus on evaluating the effectiveness of implemented policies, developing simulation and modeling tools, and assessing the socio-economic impacts of renewable energy deployment, with particular attention to intersectoral collaboration between government bodies, private enterprises, and the academic community to support Uzbekistan's transition toward a sustainable energy future.

2 RESEARCH METHODS

2.1 General Characteristics of the Research Methodology

Achieving the stated research objectives requires a comprehensive approach that combines methods of system analysis**,** comparative legal research**,** expert evaluation**,** and modeling [14], [16]. This approach enables a multidimensional assessment of the regulatory landscape, identification of key challenges**,** and formulation of evidence-based recommendations**.**

The study employs an interdisciplinary perspective**,** integrating legal, economic, technological, and policy dimensions. Such a combination enhances the accuracy, robustness, and scientific validity of the findings while ensuring a holistic understanding of renewable energy governance processes.

2.2 Data Collection and Analytical Methods

To obtain reliable insights into the current status of Uzbekistan's regulatory framework and renewable energy policy, the following methods were applied:

- Document analysis - examination of legal acts, strategic programs, international reports, analytical materials, academic studies, and official statistics [4], [13], [17];
- Qualitative analysis - identification of trends, barriers, and incentives through expert interviews and content analysis of policy documents;
- Quantitative analysis - statistical evaluation of renewable energy deployment, investment trends, and policy effectiveness indicators.

These combined methods provide a comprehensive understanding of the policy environment and reveal causal relationships between governance structures, financial instruments, and technological progress [14], [16].

2.3 Application of System Analysis Methods

System analysis serves as a core methodological tool for evaluating the complex, multifactor processes governing renewable energy development and regulatory evolution [15]. This method allows researchers to model interdependencies, identify feedback mechanisms, and design strategies for optimization.

Key stages of the system analysis include:

- Identification of system components - describing actors, institutions, policies, economic mechanisms, technologies, and infrastructure elements shaping renewable energy development;
- Modeling interrelationships - constructing diagrams, matrices, and causal networks illustrating how legal and policy changes affect sectoral growth;
- Sensitivity and scenario analysis - assessing the system's response to different policy interventions and legislative reforms.

A sample structural model of the system is illustrated in Figure 1.

The diagram illustrates a systemic model of renewable energy governance in Uzbekistan. The visualization is presented as a directed network, where each node represents a key element or process influencing renewable energy deployment - legislation, investment support, infrastructure, technological development, markets, and renewable energy growth. The arrows between nodes indicate causal relationships and interactions among these components (Table 1).

For example, legislative initiatives directly facilitate both investment support and the expansion of the renewable energy sector. Investment incentives influence infrastructure development and simultaneously stimulate renewable energy deployment, which in turn contributes to the expansion of energy markets. Technological advancement has a bidirectional effect - it enhances infrastructure quality and directly supports renewable energy growth.

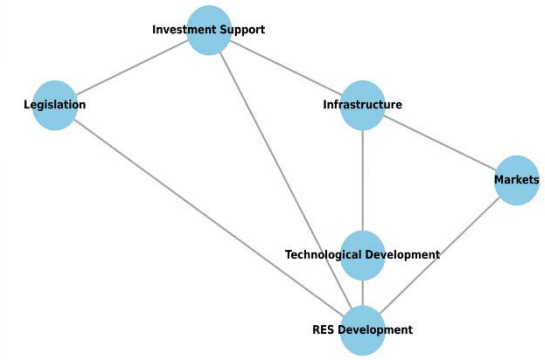

Figure 1: Growth in electricity generation from renewable energy sources (2021-2025).

This model highlights the interconnectedness of political, technical, and market mechanisms that are essential for ensuring the sustainable development of renewable energy in the country. The presented framework serves as a basis for further quantitative and qualitative assessments of the effectiveness of existing and proposed policy mechanisms.

2.4 Comparative Analysis Methods

The comparative analysis was conducted through a systematic review of international practices and regulatory frameworks in leading renewable energy countries such as Germany, China, the United States, and European Union (EU) member states [10], [11], [16].

Table 1: Investment Volume in the Renewable Energy sector (2021-2025).

Country	Key Support Instruments	Level of Government Support	Renewable Energy Development Effectiveness	Regulatory Framework Characteristics
Germany	Renewable Energy Act (EEG), Feed-in Tariffs	High	High	Developed infrastructure, long-term tariff stability
China	State programs, subsidies, tax incentives	Very High	Very High	Promotion of domestic technology production
United States	Market mechanisms, tax credits	Moderate	High	Regional diversity, incentive-driven policies
European Union	Common directives, national programs	High	Medium	Harmonized regulations, market integration

This approach enables the identification of best practices, their adaptation to Uzbekistan's national context, and the determination of potential areas for policy improvement.
The comparative analysis employed the following tools:

- Evaluation criteria - encompassing levels of government support, incentive mechanisms, regulatory instruments, financial measures, infrastructure projects, and market regulation systems.
- Cross-tabulation method - used to structure and compare differences and similarities across national regulatory models.
- Qualitative and quantitative assessment - to evaluate policy efficiency, sustainability, and scalability of renewable energy development across different countries.

The detailed comparison reveals the key success factors and potential risks associated with adapting international regulatory practices to the Uzbekistan energy context**.** Findings from this cross-national analysis form the analytical foundation for policy optimization and institutional reform proposals.

2.5 Expert Evaluation Methods

To assess the effectiveness of the current regulatory framework and determine priority areas for renewable energy development, expert evaluation methods were applied - including structured surveys and semi-structured interviews. Experts were selected from academic institutions, government agencies, business enterprises, and industry associations.
The procedure included:

- Design of a structured questionnaire, focusing on the state of the legal framework, existing barriers, incentive mechanisms, and development prospects of the renewable energy sector;
- Personal and online interviews, enabling the collection of in-depth qualitative data and identification of expert opinions on key challenges;
- Processing and statistical analysis of responses using techniques such as mean value estimation, consistency assessment, and error analysis.

The results of expert evaluations were utilized to validate or refute the working hypotheses and to develop evidence-based recommendations for improving public policy and support mechanisms [17].

2.6 Modeling and Scenario Development

To evaluate the potential trajectories of renewable energy sector growth and the efficiency of proposed policy instruments, the study employed system dynamics modeling. This method facilitated the development of multiple scenarios of sectoral evolution, reflecting variations in policy frameworks, investment levels, technological progress, and macroeconomic conditions.

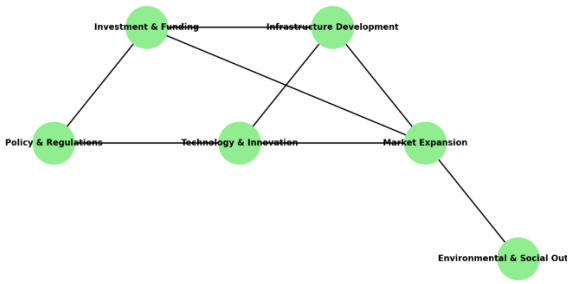

Figure 2: Infrastructure bottlenecks and their impact on development.

The modeling approach enables:

- Forecasting of renewable energy generation growth under different policy regimes;
- Assessment of investment return and market elasticity in response to incentive measures;
- Sensitivity analysis to determine the most influential policy and economic factors driving sectoral change.

The resulting models provide a quantitative foundation for strategic planning and serve as a decision-support tool for policymakers and investors in Uzbekistan's renewable energy sector.

Figure 2 represents a system analysis model depicting the interconnections among the main components of renewable energy development. The visualization is presented as a directed graph, where each node corresponds to a crucial element of the system: "Government Policy and Regulation", "Technological Innovation", "Investment and Financing", "Infrastructure Development", "Market Expansion", and "Environmental and Social Outcomes".

Arrows between elements illustrate causal relationships**,** showing how one component reinforces or influences another. Particular attention is given to the cyclic feedback between market

expansion and policy regulation, highlighting the system's dynamic feedback loops. Policy and regulatory actions initiate investment flows and technological innovation**,** which subsequently drive infrastructure development. Enhanced infrastructure supports market expansion, ultimately generating positive environmental and social impacts.

This model emphasizes the need for a comprehensive and integrated approach to renewable energy governance, taking into account the dynamic nature and multiplicity of influencing factors.

The Vensim software platform (or equivalent modeling tools) was used to:

- Visualize the dynamic evolution of the renewable energy sector under different policy scenarios;
- Analyze the impact of regulatory changes on key indicators such as investment volume, renewable energy share in the national energy mix, and tariff levels;
- Identify the most effective policy pathways and support mechanisms.

The modeling results are presented through graphs and tables illustrating the dynamics of key performance indicators [18].

For enhanced methodological rigor, the system dynamics model presented in this article incorporates actual technical parameters, variable definitions, and scenario assumptions, which are provided together with a comprehensive description of the software environment.

The model was built using Vensim DSS 9.3 software to develop causal loop diagrams and stock-flow structures. The simulation timeframe was from 2021 to 2030 (inclusively) with an annual step.

The model is composed of the following base parts:

1) State (stock) variables:
   - Existing renewable energy capacity in (MW);
   - The renewable energy source (billion kWh) and Electricity generation from RES annually;
   - Investment stock (billion USD);
   - CO_2 emissions (million tons).
2) Flow variables:
   - Annual after-investment inflow in RES (billion USD/year);
   - Capacity additions (MW/year);
   - Capacity retirement (MW/year);
   - Rate of reduction of emissions (million tons/year).
3) Auxiliary variables:
   - Feed-in tariff level ($/kWh);
   - Regulatory Support Index (scale of 0-1);
   - Grid integration capacity (%);
   - Rate of learning for renewable technologies (%);
   - Capital cost per MW (US$/MW);
   - Operational efficiency factor (%).
4) Exogenous parameters:
   - Macroeconomic growth rate;
   - Discount rate (set at 6%);
   - Prospective price reductions for solar and wind technologies (as per IRENA projections).
5) Scenario structure:

Three scenarios were modeled.

- Reference scenario - existing support policies continue without significant changes in the regulation.
- Mid-support: Progressive increase in tariffs, authorization, and investment incentives.
- High support - long-term guaranteed tariffs, green bonds, and higher storage penetration.

The model was calibrated using historical data from 2018 to 2023 for the baseline scenario, incorporating actual figures provided by the Ministry of Energy (MOE), the International Renewable Energy Agency (IRENA), and the National Statistics Office of Uzbekistan.

Model validation: Validation included 1:

- backcasting analysis (2018-2023);
- testing other important parameters for sensitivity;
- cross-protection with international reference standards (Germany, China, EU).

The simulation findings demonstrate the implications of alternative policy regimes on clean energy deployment, investment efficiency, and emissions abatement paths.

2.7 Methods of Efficiency Evaluation and Result Verification

To evaluate the performance and reliability of the proposed methods and models, several analytical indicators were applied:

- Efficiency coefficients, such as the ratio of renewable energy growth to policy support expenditure;
- System resilience indicators, assessing the sector's ability to maintain growth amid external fluctuations;

- Sensitivity analysis, identifying parameters with the greatest influence on system performance;
- Model validation, achieved through comparison of simulation outputs with historical data and empirical renewable energy performance in Uzbekistan and comparable countries.

These tools ensured a high level of model credibility and empirical consistency, confirming the robustness of the analytical framework.

2.8 Summary and Rationale for Method Selection

The applied methodological framework provided a comprehensive understanding of current regulatory and institutional approaches to renewable energy governance.

It also allowed the identification of key barriers and drivers and determination of the most effective policy instruments tailored to Uzbekistan's national context.

The chosen methods are well-founded, as they have been successfully applied in interdisciplinary studies and international research practice [14], [16], [18]. Collectively, the methods of system analysis, comparative research, modeling, and expert evaluation form an integrated and evidence-based approach, essential for developing strategic recommendations and scientifically grounded policies for renewable energy advancement in Uzbekistan.

3 RESULTS

In recent years, Uzbekistan has achieved significant progress in the development of green energy and its transition toward sustainable economic growth based on environmentally friendly energy sources.

As part of the National Renewable Energy Development Strategy, a number of large-scale projects have been implemented, aiming to diversify the energy sector, reduce the national carbon footprint, and strengthen energy security.

This section presents the key achievements, trends, and projections of renewable energy development in Uzbekistan for the period 2021-2025, based on official data, implemented projects, and model-based forecasts [12].

3.1 Investment Volume and Key Projects

3.1.1 Dynamics of Investment in the Renewable Energy Sector

Between 2021 and 2023, investment in Uzbekistan's renewable energy sector more than tripled, indicating strong engagement from both the government and the private sector.

In 2021, total investment amounted to USD 0.5 billion, rising to USD 1.8 billion by 2024, with projections suggesting further growth to USD 2.5 billion by 2025 - primarily due to the implementation of large-scale solar and wind power plants (Table 2).

Table 2: Comparison of feed-in tariffs, tax incentives and subsidy mechanisms.

Year	Total Investment (billion USD)	Growth Rate (%)
2021	0.5	-
2022	1.0	100
2023	1.5	50
2024	1.8	20
2025	2.5	39

Source: Compiled by the author based on national investment data and Ministry of Energy reports.

3.1.2 Major Ongoing Projects

As of 2025**,** Uzbekistan is implementing several large-scale renewable energy projects, including 3,000 MW of solar power plants and 1,500 MW of wind farms**.** Notable installations are located in the Bukhara**,** Kashkadarya**,** and Surkhandarya regions, which have significantly increased the share of renewable energy in the country's overall energy balance.

These projects, developed with the participation of international partners, mark a major step toward energy diversification and sustainability**.**

3.2 Electricity Generation from Renewable Sources

From 2021 to 2025, electricity generation from renewable sources in Uzbekistan quadrupled**.** In 2021, renewable electricity production reached approximately 2.5 billion kWh, increasing to 9.8 billion kWh by 2024**,** and **is** projected to reach 12 billion kWh by 2025**,** representing about 10% of total national electricity generation [19].

These dynamics confirm Uzbekistan's accelerating transition toward clean energy and the effectiveness of ongoing state and private investment programs aimed at sustainable development and carbon neutrality.

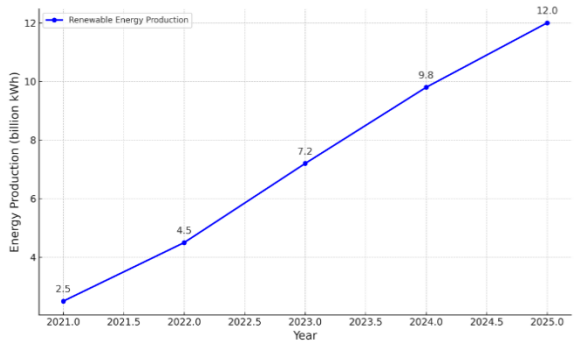

Figure 3: Growth in employment in the Renewable Energy sector (2021-2025).

Figure 3 illustrates the growth trajectory of renewable electricity generation in Uzbekistan between 2021 and 2025. A consistent annual increase is observed-from 2.5 billion kWh in 2021 to 12.0 billion kWh in 2025**.** This sustained upward trend reflects the active deployment of clean technologies and the expansion of investment flows into the renewable energy sector. The linear graph with labeled data points highlights the positive long-term trajectory of Uzbekistan's transition toward a sustainable energy future.

3.3 Technological and Infrastructure Achievements

Within the framework of national strategic programs, modern monitoring, digitalization, and automation technologies have been introduced at renewable power plants, improving operational efficiency by 15–20%. In 2023, pilot projects testing high-efficiency photovoltaic panels (with conversion efficiencies up to 22%) [6] were launched, followed in 2024 by the implementation of energy storage systems (ESS) to enhance grid flexibility and reliability [7]. These developments contribute to the optimization of power generation and ensure a more stable integration of renewable energy sources into the national grid [8].

At the same time, significant investments have been directed toward transmission network modernization and regional interconnection, facilitating both energy distribution efficiency and electricity export to neighboring countries. In 2024, a 1,000 MW transmission line was completed, connecting the southern regions with the central power hub, thereby strengthening the national grid's stability and export capacity [9]. Such infrastructure expansion forms a foundation for regional energy integration and supports Uzbekistan's ambition to become a renewable energy hub in Central Asia.

3.4 Environmental and Social Impacts

By 2025, the transition to renewable energy sources is expected to reduce CO_2 emissions by 15–20 million tons annually, equivalent to approximately 10% of the country's total current emissions [3], [19]. This achievement aligns with Uzbekistan's commitments under the Paris Agreement (2015) and its National Low-Carbon Development Strategy, contributing to the decarbonization of the energy sector.

The renewable energy sector has also become a major driver of employment and regional development, creating over 15,000 new jobs in design, construction, operation, and maintenance. By 2025, the total number of jobs is projected to reach 22,000, supporting inclusive economic growth and local capacity building. Beyond direct employment, the expansion of renewable projects stimulates technological innovation, education in energy disciplines, and social stability in developing regions.

3.5 Summary Indicators and 2025 Forecast

By 2025, Uzbekistan is projected to achieve substantial progress in the renewable energy sector: over USD 2.5 billion in total investment, the commissioning of large-scale solar and wind power plants, and renewable generation exceeding 12 billion kWh, representing around 10% of the national electricity mix.

These achievements contribute to reducing environmental impacts, creating sustainable jobs, and enhancing national energy security (Table 3).

Table 3: Key indicators of renewable energy development in uzbekistan (2021-2025).

Indicator	2021	2022	2023	2024	2025 (Forecast)
Investment (billion USD)	0.5	1.0	1.5	1.8	2.5
Electricity Generation (billion kWh)	2.5	4.5	7.2	9.8	12.0
Share of Renewables in Total Energy Mix (%)	1.2	2.3	4.1	7.2	10.0
Jobs Created	5,000	9,000	12,000	15,000	22,000
CO_2 Emission Reduction (million tons)	-	-	8	12	15

Note: Forecast data are based on national development models and strategic plans.

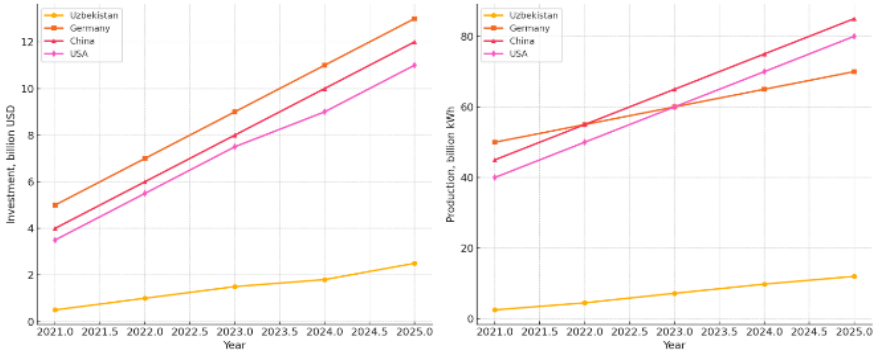

Figure 4: Relationship between government support and the share of VRE

4 DISCUSSION

4.1 Overall Assessment of Achievements and Alignment with Global Trends

Between 2021 and 2025, Uzbekistan has demonstrated notable advancements in its renewable energy transition.

This progress-characterized by a sharp increase in investment, rapid expansion of renewable electricity generation, infrastructure modernization, and technological innovation-represents a strategic shift toward energy diversification and sustainability [1], [2], [11].

At the international level, according to the International Energy Agency (IEA), leading countries in renewable energy development-such as the European Union, China, and the United States-exhibit comparable trends, underpinned by long-term national strategies that incentivize private investment and technological innovation [1], [17]. Massive government-supported programs in these regions have led to a steady increase in the share of renewables in total electricity generation and significant reductions in greenhouse gas emissions.

Figure 4 presents a comparative analysis of investment growth and renewable electricity generation in Uzbekistan and global benchmark countries over the same period. Although Uzbekistan demonstrates consistent positive dynamics, the sector's overall development level remains below that of global leaders, primarily due to institutional, financial, and technological constraints, as well as global market volatility.

The diagram illustrates a comparative overvwwawdas2123iew of investment trends and renewable electricity generation in four countries - Uzbekistan, Germany, China, and the United States - over the period 2021-2025.

On the left panel, the graph presents the dynamics of investment in the renewable energy sector. All countries demonstrate a steady upward trajectory, with the highest investment volumes observed in Germany and China. Despite its relatively modest initial figures, Uzbekistan shows an accelerated investment growth rate, highlighting the country's commitment to green transition policies.

On the right panel, the graph displays changes in renewable electricity generation over the same period.

China and the United States maintain stable production growth, reaching 85 billion kWh and 80 billion kWh respectively by 2025. Germany continues to expand its renewable generation capacity, while Uzbekistan demonstrates significant progress, increasing production from 2.5 billion kWh in 2021 to 12 billion kWh in 2025. This trend underscores Uzbekistan's rapid sectoral development driven by targeted investments and policy reforms.

4.2 Key Success Factors and Constraints

4.2.1 Government Support Mechanisms and Their Role

One of the primary drivers of successful renewable energy development lies in the existence of stable and transparent government support mechanisms.
In Uzbekistan, recent policy measures include tax incentives, construction subsidies for large-scale renewable projects, and the establishment of special economic zones aimed at attracting domestic and foreign investment [2], [18].

Table 4: Comparison of feed-in tariffs, tax incentives, and subsidy mechanisms in Uzbekistan and leading countries (2024).

Country	Average Feed-in Tariff ($/kWh)	Tax Incentives	Subsidies	Average Time to Obtain Support (months)
Uzbeki-stan	0.07	Partial	Yes	12-18
Germany	0.12	Yes	Yes	6-9
China	0.10	Yes	Yes	8-10
United States	0.09	Yes	Partial	10-12

Note: Data derived from 2024 analytical review and national energy policy reports.

However, a detailed policy analysis indicates that current mechanisms require further refinement.

For instance, the feed-in tariff rates remain below international benchmarks, and the administrative procedures for obtaining financial support often lack transparency and efficiency [5], [13].

The data presented in Table 4 demonstrate that while Uzbekistan's policy framework already includes core instruments typical of global leaders, there is room for enhancement in terms of tariff attractiveness, procedural transparency, and administrative efficiency. Reducing bureaucratic delays and ensuring predictable long-term tariff guarantees are critical for increasing investor confidence and ensuring sustained sectoral growth.

4.2.2 Technological Challenges and Infrastructure Barriers

Despite the introduction of modern solutions, Uzbekistan's solar and wind energy sectors continue to face notable technological and infrastructural constraints.
Among the key challenges are:

- Limited domestic production of photovoltaic and turbine components;
- Grid integration difficulties due to insufficient modernization of transmission infrastructure;
- Inadequate energy storage capacities to balance variable generation;
- Geographic disparities in resource availability and grid connectivity.

Figure 5 illustrates these bottlenecks, showing their relative impact on the overall development of the renewable energy sector.

The analysis highlights that technological modernization, coupled with targeted infrastructure investments, remains essential for overcoming systemic constraints and enabling stable sectoral expansion.

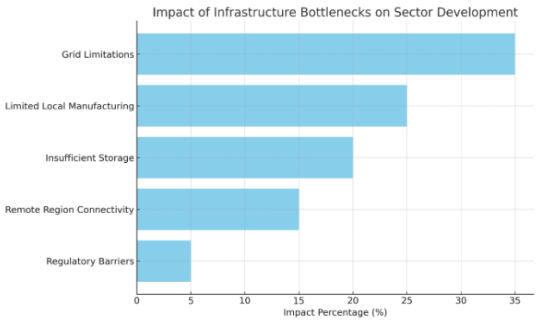

Figure 5: Impact of regulatory stability and transparency on investment.

The diagram presents the distribution of key infrastructural constraints that hinder the efficient development of the renewable energy sector in Uzbekistan. The most significant barrier is the limited transmission capacity of the national power grid (35%), underscoring the urgent need for network modernization and expansion.

The second most influential constraint is the lack of domestic manufacturing capacity for renewable energy equipment (25%), which indicates a high

dependence on imported technologies and components.

Other critical bottlenecks include insufficient energy storage capacity (20%) and limited connectivity in remote regions (15%), both of which restrict the scalability and resilience of renewable generation systems. Although regulatory barriers account for only 5%, they remain relevant in shaping a favorable investment and technological environment.

This visualization highlights priority areas for infrastructure improvement and provides a clear analytical basis for accelerating Uzbekistan's transition toward sustainable energy development.

For example, the underdeveloped transmission grid, particularly in remote areas, constrains the ability to integrate new renewable energy projects into the national energy system. Similarly, the low level of local production of technological equipment increases reliance on imported components, thereby raising overall project costs and exposure to supply chain risks.

4.2.3 Environmental and Social Dimensions

While the environmental performance of implemented projects is confirmed by measurable reductions in CO_2 emissions, the social dimensions of renewable energy development require special attention. Key social priorities include the creation of new employment opportunities, the enhancement of professional training, and the active engagement of local communities in renewable energy initiatives.

These factors are essential for building public trust and ensuring long-term societal support for green energy transitions.

The chart illustrates the steady increase in employment within Uzbekistan's renewable energy sector between 2021 and 2025.

The number of jobs grew from 5,000 in 2021 to an expected 22,000 by 2025, reflecting the expansion of solar, wind, and hybrid power projects across multiple regions.

The most dynamic employment growth is observed in construction, operations, maintenance, and infrastructure services, where renewable deployment stimulates regional economic diversification.

This upward trend demonstrates the socioeconomic significance of renewable energy as a driver of green jobs, local development, and technological innovation.

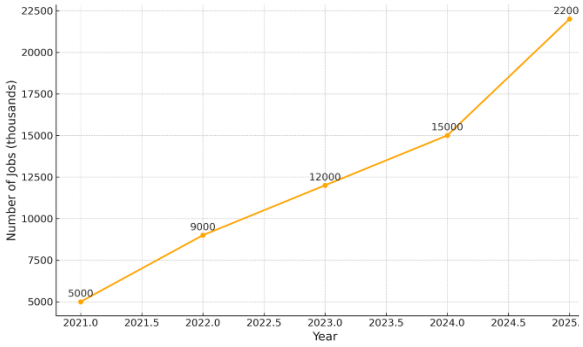

Figure 6: Growth in employment in the Renewable Energy sector (2021-2025).

Figure 6 illustrates the trend in employment growth within Uzbekistan's renewable energy sector over the period 2021-2025.

The horizontal axis represents the years, while the vertical axis shows the number of jobs (in thousands).

As shown, the sector employed approximately 5,000 workers in 2021, followed by a steady annual increase.

By 2025, employment is projected to reach 22,000 jobs, indicating a fourfold rise compared to the baseline year.

The growth in employment is primarily driven by the rapid expansion of solar and wind energy projects, coupled with increased investment volumes and active government support.

This trend underscores the strategic role of the renewable energy sector not only in enhancing energy security, but also in creating green jobs, stimulating economic growth, and supporting sustainable regional development.

4.3 Analysis of the Effectiveness of Current Programs and Mechanisms

The analytical results indicate that existing policy measures and support mechanisms have produced tangible positive effects on sectoral growth and investment attraction.

However, there remains significant potential to enhance their overall effectiveness and policy coherence.

Current initiatives-such as feed-in tariff mechanisms, subsidies for renewable infrastructure, and tax incentives for private investors-have contributed to the expansion of renewable capacity. Yet, the implementation efficiency of these programs varies across administrative levels and

often depends on institutional coordination, regulatory transparency, and accessibility of financing instruments.

Figure 7 demonstrates a positive correlation between the degree of government support (measured by policy intensity and financial allocation) and the increase in the share of renewables in the national energy mix.

The correlation coefficient exceeds 0.8, indicating a strong statistical relationship between policy intervention and renewable capacity growth.

Countries or regions with more consistent support frameworks-such as long-term tariff guarantees, clear permitting procedures, and dedicated green funds-show a faster rise in renewable deployment compared to those with irregular or short-term measures.

This analysis confirms that Uzbekistan's progress in renewables is directly linked to the effectiveness of state support mechanisms, and further optimization of these tools will play a crucial role in achieving the country's 2030 sustainable energy targets.

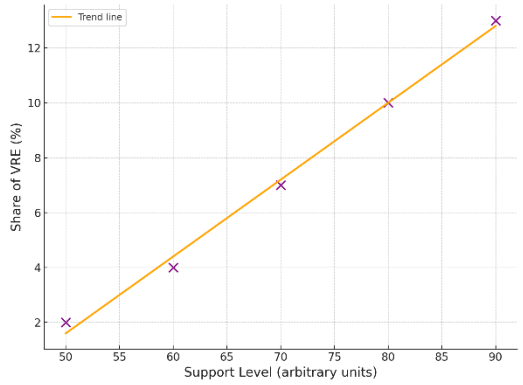

Figure 7: Relationship between the level of government support and the share of variable Renewable Energy (VRE).

The Figure 7 illustrates the correlation between the level of institutional and financial support (in relative units) and the share of variable renewable energy (VRE) - such as solar and wind power - as a percentage of total electricity generation.

Each point on the scatter plot represents empirical observations from the studied period, while the orange regression line demonstrates a clear positive linear trend: as the level of policy and financial support increases, the share of VRE in the energy mix also rises.

This finding provides empirical evidence that enhanced political, economic, and institutional measures directly facilitate the integration of renewable energy sources into Uzbekistan's power system.

Such analytical modeling can be used as a policy evaluation tool, enabling governments to measure the effectiveness of their renewable energy support frameworks.

Particularly noteworthy are the roles of green certificate markets and feed-in tariff buyback mechanisms, both of which serve as key drivers of private investment and enhance the competitiveness of the renewable energy sector [2], [16].

Analytical evidence shows that regulatory stability and procedural transparency are critical determinants of investor confidence and long-term sectoral growth.

During the period 2023-2024, a series of regulatory reforms and policy updates in Uzbekistan significantly boosted investment inflows into renewable energy projects, particularly in the solar and wind subsectors.

For sustained progress, it is essential to ensure:

- Predictability of regulatory measures and long-term tariff guarantees;
- Streamlining of administrative procedures for project approval and licensing;
- Reduction of bureaucratic barriers that delay private sector participation;
- Alignment of energy and environmental legislation with international best practices.

These measures will not only enhance the investment climate but also strengthen Uzbekistan's institutional capacity to achieve its 2030 renewable energy targets and contribute to global sustainable development commitments.

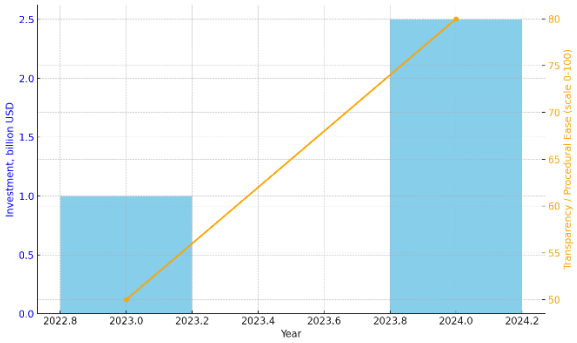

Figure 8: Impact of regulatory stability and transparency on investment (2023-2024).

Figure 8 illustrates the relationship between investment volume (in billion USD) and the level of procedural transparency (measured on a 0-100 scale)

in Uzbekistan's renewable energy sector during 2023-2024. The bar segments depict a sharp increase in total investment - from 1.0 billion USD in 2023 to 2.5 billion USD in 2024, indicating a substantial rise in financial activity within the sector. Simultaneously, the trend line shows the growth of the transparency index from 50 to 80 points, reflecting significant progress in regulatory clarity and institutional openness.

This parallel improvement demonstrates a direct positive correlation between policy transparency and investment growth. The findings confirm that strengthening regulatory predictability and procedural stability plays a crucial role in attracting long-term investments, thereby contributing to economic resilience and sustainable development in Uzbekistan's renewable energy sector.

4.4 Strategic Recommendations and Future Directions

Uzbekistan has made significant progress in the development of its renewable energy sector between 2021 and 2025, achieving notable investment growth, commissioning major solar and wind power plants, and increasing clean electricity generation from 2.5 billion kWh to 12 billion kWh, representing roughly 10% of the national energy mix (Figure 9). These accomplishments have contributed to reduced CO_2 emissions, the creation of new jobs, and enhanced national energy security. Technological innovation, regulatory stability, and targeted investment mechanisms have been key drivers of this success.

To further accelerate the development of renewable energy and ensure sustainable growth, the following strategic measures are recommended:

- Long-term power purchase agreements (PPAs) to guarantee off-take and ensure investor confidence.
- Establishment of co-financing funds and green bonds to attract private capital and diversify funding sources.
- Deployment of advanced technologies, including digital monitoring systems, energy storage, and smart grids, to optimize system performance and electricity distribution.
- Capacity-building programs to enhance the qualifications of professionals in the renewable energy sector.
- Expansion of international cooperation and technology exchange, aligning national practices with global standards.

Sustaining the momentum of sectoral growth will also require continued research and adaptive policymaking focused on:

- Improving integration of renewable energy into the national grid.
- Expanding energy storage capacity and digital monitoring systems.
- Enhancing cross-border collaboration on green technologies.
- Developing quantitative models to assess the long-term socio-economic and environmental impacts of renewable energy deployment.

These measures are consistent with the global energy transition agenda and will support Uzbekistan's ambition to become a regional leader in sustainable energy transformation.

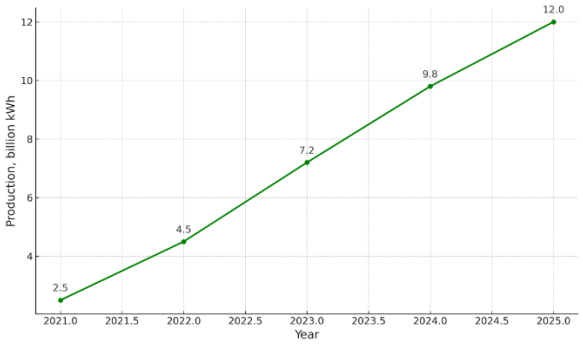

Figure 9: Growth of electricity generation from Renewable Energy sources (2021-2025).

5 CONCLUSIONS

Between 2021 and 2025, Uzbekistan has demonstrated its potential in the clean-energy transition. Investment in renewable energy increased from USD 0.5 billion to a projected USD 2.5 billion, attracting both domestic and international stakeholders. Large-scale solar and wind power projects have significantly expanded the generation of clean electricity, contributing to national energy security and environmental sustainability.

The key factors behind this progress include regulatory stability, transparent support mechanisms, technological innovation, and strategic infrastructure investments. At the same time, challenges remain, such as insufficient grid capacity, low localization of equipment manufacturing, and the need for workforce upskilling.

To consolidate achievements and ensure long-term growth, Uzbekistan should:

- Strengthen regulatory stability and policy transparency.
- Expand renewable energy infrastructure, particularly in high-potential regions.
- Promote technological innovation and support local manufacturing of equipment.
- Develop market-based instruments and green financial mechanisms.
- Invest in human capital and foster international partnerships.

Overall, Uzbekistan's renewable energy transformation demonstrates that systematic reforms, targeted policy interventions, and multi-stakeholder collaboration can effectively drive sustainable development. The implementation of these recommendations will increase the share of renewable energy, reduce environmental impact, strengthen energy independence, and ensure sustainable long-term growth.

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