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THE NEED FOR INVESTMENT PROJECT MONITORING IN EFFECTIVE BUSINESS MANAGEMENT

Submission Date: December 06, 2023, Accepted Date: December 11, 2023,

Published Date: December 16, 2023

Crossref doi: <https://doi.org/10.37547/ijmef/Volume03Issue12-05>

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ABSTRACT

Modernization of the economy, technical-technological rearmament of priority sectors, production of competitive products on the world market, and increase of the country's export potential are among the urgent issues today. The implementation of these tasks cannot be imagined without investments. That is why we are paying serious attention to the financing of investment projects in our country. Because the investment project is an important factor that ensures the growth of the economy and the development of production.

KEYWORDS

Foreign investments, specifically defined, ownership, including expropriation and privatization of property.

INTRODUCTION

In the development strategy of New Uzbekistan for 2022-2026, the issues "Goal 26: To further improve the investment environment in the country and increase its attractiveness, to take measures to attract 120 billion US dollars, including 70 billion dollars of foreign investments, in the next five years" are specifically defined. The number of investment projects implemented in the economy is increasing as a result of

measures to actively attract investments. In our republic, the market economy required the increase of business entities based on different forms of ownership, including expropriation and privatization of property, as well as the development of management activities. Also, further liberalization and development of the economy, implementation of investment projects and implementation of optimal

options for their financing caused requirements for the introduction of project management models.

Particular attention was paid to investment issues and the increase in the volume of foreign direct investments. One of the innovations in improving the efficiency of investment projects is the introduction of a new 3-stage system of monitoring investment projects, which includes preliminary assessment of feasibility and socio-economic impact of projects for the development of industry and economy in general. Also, during the investment period, i.e., from the moment of signing the contracts to the commissioning of the object, continuous monitoring is carried out, and after the commissioning of the object, monitoring is carried out in the post-investment period to assess the target parameters.

Implementation of investment projects usually includes three separate stages:

the preliminary stage lasts until the final decision on the project;

the next stage, implementation, which continues until the project results are realized;

and the final phase is the operational phase where the benefits of the project are realized.

Monitoring of investment projects should be understood as a comprehensive system of continuous monitoring, collection, analysis and presentation of information on the implementation of the investment project or its individual stages, which ensures the preparation of reliable forecasts on the progress of the

project. Allows for the development of procedures for responding to deviations that occur. The purpose of monitoring investment projects is to check the progress of the project. Development of management decisions on timely detection of deviations from project parameters, prevention of unpleasant or critical situations during project implementation, and optimization of the project.

The main tasks of investment project monitoring are as follows:

- organization of monitoring and obtaining reliable and impartial information about the progress of the investment project;
- evaluation and systematic analysis of received data, identification of the causes;
- determining the deviation of investment project parameters from the planned ones;
- development of investment project implementation forecasts and identification of factors that threaten the implementation of the project in the future;
- determination of insufficient funds to finance the investment project;
- providing the management of the enterprise and all interested parties with information about the progress of the investment project;
- preparation of recommendations aimed at eliminating negative situations and supporting positive trends in project development;

- identify options for the project;
- development of management decisions that allow to correct the progress of the investment project;
- increase the responsibility of the employees involved in the implementation of the project.

In our opinion, the investment project monitoring system should meet the requirements of systematicity, complexity, reliability, objectivity, relevance, scientific character, visibility and efficiency.

1. Systematic - monitoring should be carried out throughout the life of the project with certain intervals to collect information.

2. Complexity - monitoring the dynamics of indicators describing various aspects of the investment project. Taking into account the interests of all subjects of investment activity, all components of the project and their relationships.

3. Reliability - ensuring the accuracy of information on all indicators that most fully describe the investment project.

4. Objectivity - the investment project should be considered "as is", regardless of the opinion and wishes of the subjects of investment activity.

5. Compliance - compliance of the information obtained during the monitoring process with the needs and goals of evaluating the effectiveness of investment projects.

6. Scientific character - analysis and evaluation of the efficiency of the investment project based on evidence-based and proven methods.

7. Visibility - presentation of information (tasks, deadlines, parameters, etc.) in a form that allows you to see the generality of the important elements of the project and their interdependence and make effective decisions based on this information.

8. Efficiency - shortening the process of collecting and processing information on the progress of the investment project and timely development of emergency management decisions in case of deviations from the project parameters.

In the process of monitoring investment projects, it is necessary to compare the current project indicators with the previous and planned indicators and determine the reasons for deviations (if any) in the following areas: economy (performance indicators), finance (budget development), work order, environment, safety and its in the requirements. It is also necessary to conduct a risk and sensitivity analysis and develop recommendations for project optimization based on this information.

As controlled parameters during the monitoring of investment projects, we suggest using the following:

- time parameters - the start of the project, the start of investment, commissioning, the duration of the project;
- natural indicators - the volume of sales, the need for raw materials and capital equipment;
- cost parameters - forecast prices, forecast costs;
- performance criteria - net present value (NPV),

simple and discounted payback period (PP, DPP); internal rate of return (IRR).

In order to improve the monitoring of the implementation of investment projects, the business entity should: have a prospective and well-developed plan for the future activity of the economy; must have a high level of influence on the world scale; the country should conduct an open or more precisely transparent policy; the political status of the business entity must be stable.

If we consider investment projects at the level of influence on the state, then the following factors influence the improvement of the monitoring of the implementation of investment projects:

1. Social factors (the attitude of the local population to private property and foreign investments; social activity of the working class; the level of integrity of democratic consciousness in society; the intellectual potential of the population at all levels; the existence of advanced ideas on the social development of society);
2. Economic factors (the general and stable state of the economy; the level of inflation being within the same set parameters; the amount of credit and the interest rate; the method of using the economic and inactive labor force; maintaining the exchange rate at the set rate; domestic and the relationship between demand and supply in the foreign market; tax benefits and opportunities to reduce the tax burden; customs benefits);

3. Political factors (political stability, that is, the level of peace and tranquility prevailing in each country; the level of compliance with international agreements; the role of the state in the economy; the level of effective functioning of state bodies; the state's investment policy in relation to investments; the state's various participation in international exchanges and the level of ownership of transactions).

The above factors have a significant impact on the economy, playing an important role in monitoring and managing investments. Mechanism for implementation of monitoring of investment projects. To demonstrate the mechanism of monitoring of investment projects, it is possible to refer to the manual of the European Union "on the analysis of costs and benefits of investment projects". The importance of economic evaluation of projects is that it covers not only the financial costs of the project, but also other aspects.

The economic analysis of the effectiveness of alternative projects is based on the analysis of cash flows of the investment project and consists of the following steps:

- Transferring market prices to accounting prices. In some cases, market prices are set by the government and do not reflect the social value of the project. At this stage, shadow prices (shadow wages) and fiscal changes (VAT, subsidies and net transfers) should be taken into account;

- Monetization of non-economic impacts. This step requires an assessment of the project's impact on society, which does not have a market value and therefore must be determined by establishing a real monetary value.

- Inclusion of additional indirect effects. Indirect effects refer to price or quantity changes that occur in the secondary market. A distorted secondary market is a market where prices are not equal to the maximum social value of the opportunity. Existence of taxes, subsidies, monopoly power and 59 external factors are the main cause of market distortion.

However, such effects should be taken into account only when the amount of distortion is sufficient and measurable, in general, the effective use of shadow prices and good monetization of externalities are sufficient to account for indirect effects.

- Update the cost benefit assessment. The costs and benefits incurred during the investment process must be periodically updated using the social discount rate. It reflects the societal perception of how benefits and costs should be measured in the future.

- Calculation of indicators of economic efficiency. In the economic analysis, after taking into account the price distortion and choosing the social discount rate, it is necessary to calculate a number of economic indicators. Including the economic net present value (the difference between discounted social benefits and costs), the economic rate of return and the relationship between updated benefits and costs.

Depending on the importance of the above economic indicators, a decision is made to approve certain investment projects. As a rule, projects with an economic profitability coefficient lower than the social discount rate or with a negative net worth should be rejected, because such projects consume too many social resources for little benefit.

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