

Assessment of the effectiveness of investment projects and improvement of state investment strategy

Kenjayev Ikrom Ergoshboevich

PhD, associate professor. University of Business and Science, Uzbekistan

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Abstract: The article highlights qualitative indicators for evaluating the effectiveness of building a strategy in the territory development system and the main indicators for evaluating the effectiveness of real investment projects. The effectiveness of participation in the project is determined by the objectives of checking the investment project being implemented and the interest of all its participants in it. To date, the grouping of indicators for assessing the economic efficiency of investments and evaluating the effectiveness of investment projects is carried out according to the main indicators of the investment project and calculation methods.

Keywords: Investment project, investment strategy, efficiency assessment, quality indicators, control system, real investments.

Introduction: Numerous economic studies, the implementation of joint business projects and the Uzbek mentality have proved the need to attract foreign investment and achieve European living standards for a progressive future of Uzbekistan. Foreign capital can have a significant impact on the introduction of technical innovations and advanced technologies in the field of production, the provision of financial and non-financial services, and the quality of management in the real and financial sectors of the economy. Of course, foreign investment as a source of capital is more attractive than credit resources, which increase the total national debt. Their limited size requires drawing attention to the most important issues and trends that need to be taken into account when improving the investment climate and optimizing the business environment.

Literature analysis

According to the research results of I. Melnikov, N. Ivanov, A. Verzhbitsky, the main goal of implementing a management system is to achieve an established and coordinated relationship of information flows to improve management efficiency, which consists in increasing efficiency as a result of coordinating individual subsystems into a single system. An important indicator for assessing the quality of control application is the assessment of the qualitative

characteristics and indicators of management information provided by the control system for making rational management decisions. These indicators are based on the level of achievement of the main objectives of the enterprise. K. G. Skripnik's position on efficiency assessment is also noteworthy, which, according to the author, requires an analysis of three factors:

- cash flow associated with the system's activities;
- capital expenditures for the implementation of the system;
- the impact of the system on the monetary value of the risks of the enterprise as a whole (the weighted average value of the enterprise's capital) [1].

The indicators for assessing the economic efficiency of investments were studied in the studies of D. Chervanov, V. Sarkov, A. Peresad, Y. Nesvetaev, A. Margolin, A. Bistrakov, P. Vilinsky, V. Shevchuk, P. Rogozhin, V. Zakharchenko, G. Birman, S. Schmidt, V. Dekterenko, I. Blank, I. Lipsits, V. Kossov, E. Chetirkin.

METHODOLOGY

Our scientific research is a method of system-analytical and research work on investment analysis, optimization of investment decisions. Indicators and methods of its assessment and interpretation are used to determine the effectiveness of alternative

investment projects when a choice is needed. The main information and analytical tools for evaluating projects are: financial indicators of the project; indicators of economic efficiency; sensitivity analysis; distortion analysis; probability assessment. Their use is effective in the context of the discounting method.

RESULTS AND DISCUSSION

Taking into account the achievements of our predecessors, we suggest using such qualitative indicators to assess the effectiveness of strategy building. Qualitative indicators play an important role in assessing the feasibility and effectiveness of strategy development.

Qualitative factors largely determine the internal qualities and properties of the studied objects. To ensure a high-quality assessment, qualification requirements for management personnel should be developed and approved, not only in general terms, but also taking into account the specifics of the company's activities.

The definition of qualitative indicators for evaluating the effectiveness of the use of control should be based on the tasks, functions and goals that should ensure the implementation of the control system at the enterprise.

Thus, a properly functioning management system must ensure that the following requirements are met [2]:

- efficiency or the ability to ensure relatively low maintenance costs for business processes of the enterprise;
- this means that the company can quickly adapt to internal and external changes in the external economic environment.;
- flexibility in understanding the tasks, needs and sources of economic results obtained by management personnel, etc.

At the same time, taking into account the above, it should be noted that when implementing a system for monitoring the activities of enterprises, it becomes possible to directly bring the enterprise management system to a new qualitative level by integrating and coordinating the activities of information subsystems of the management system aimed at achieving certain operational and strategic goals.

Thus, to assess the effectiveness of the implementation of the control system, it is necessary to analyze all aspects of the impact of the control system on the cost of the enterprise. In this case, the cash flow is checked during the operation of the control system. The components of this flow are the costs of developing and implementing a control system, the costs of its operation and support, as well as the company's

income from the activities of the control system.

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Therefore, a properly functioning management system must ensure that the following requirements are met [3]:

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Therefore, a comprehensive assessment of the expediency of control and the effectiveness of use, in addition to qualitative indicators, involves the calculation of quantitative indicators. Quantitative indicators are indicators that express the quantitative accuracy of phenomena, which mainly describe measurements related to measuring a value. When calculating quantitative indicators, the manager gets the opportunity to evaluate them and develop optimal management solutions.

The list of indicators for evaluating the effectiveness of investment projects, which should be used to assess the effectiveness of the implementation of the control system, is the most relevant. In a real investment management system, evaluating the effectiveness of investment projects is one of the most important stages[4]. How objective and comprehensive this

assessment is depends on the payback period of the invested capital, the options for its alternative use, and the additional inflow of industrial profits in the subsequent period. This objectivity and complexity of evaluating the effectiveness of investment projects is largely determined by the use of modern methods of its implementation.

An analysis of the development of business plans and evaluation of the effectiveness of various projects has shown that, despite the use of criteria generally

recognized in world practice, the calculation by domestic specialists is often carried out using different cash flow structures using different algorithms and is limited to using traditional methods of bringing deferred income to the current level (the discounting method), as well as current future levels (the savings). There is also no single view on the formulation of the tasks to be solved and the rationale for choosing the discount rate. The main performance indicators of the investment project are shown in Table 1.

Table 1.

The main indicators of the investment project

Index name	Necessity
Net discounted income (NDI)	Allows you to get the absolute value of the effect of project implementation
Internal income level (IIL)	Indicates the upper limit of the allowable level of the discount rate, the increase in which will make the project useless
Modified internal income level (MIIL)	The modified internal rate of return MIIL includes the definition of an internal rate of return, which equalizes the current estimate of investment costs and the future value of cash flows for the project and is calculated at a certain interest rate.
Income index (II)	Allows you to get the relative value of the effect from the implementation of the project
Average rate of return (ARR,%)	Shows the ratio between average annual returns and initial investments
Return period (RP)	Allows you to determine how long it takes to cover the initial investment
Discounted return period (DRP)	Allows you to determine how long it takes to cover the initial investment, taking into account the time

Performance indicators are always related to a specific topic:

social performance indicators for society as a whole;

commercial performance indicators -for a real or abstract legal entity implementing a project at its own expense;

performance indicators of the company's participation in the project – for this company;

indicators of the effectiveness of project participants' investments in company shares – for shareholders of joint-stock companies;

performance indicators for high-level structures;

budget efficiency indicators correspond to budgets of all levels.

Performance indicators related to the entire project implementation period are called integral. It is recommended to evaluate the following types of effectiveness [5]:

the effectiveness of the project as a whole;

the effectiveness of participation in the project.

In general, the effectiveness of a project is understood as “the effectiveness of a project carried out by a sole

participant at his own expense. Thus, performance indicators are determined solely on the basis of cash flows from investments and operating activities" [6].

The effectiveness of participation in a project is determined in order to verify the investment project being implemented and the interest of all its participants in it. In Figure 1, we have systematized the main indicators for evaluating the effectiveness of real investment projects based on two calculations.

It contains:

the effectiveness of enterprises' participation in the project (the effectiveness of the investment project for participating enterprises);

efficiency of investing in company shares (efficiency for shareholders of joint-stock companies participating in the investment project);

the effectiveness of the participation of higher-level structures in the project compared to enterprises

participating in the investment project;

budgetary effectiveness of an investment project (the effectiveness of government participation in the project in terms of expenditures and revenues of budgets at all levels and the effectiveness of real investment projects are assessed based on a comparison of investment expenditures, on the one hand, and the amounts and payback periods of investment capital, on the other);

consideration of the project continues throughout its life (estimated period);

the principle of positivity and maximum impact;

time factor accounting;

The assessment of the amount of investment costs should cover all the resources used related to the implementation of the project [7].

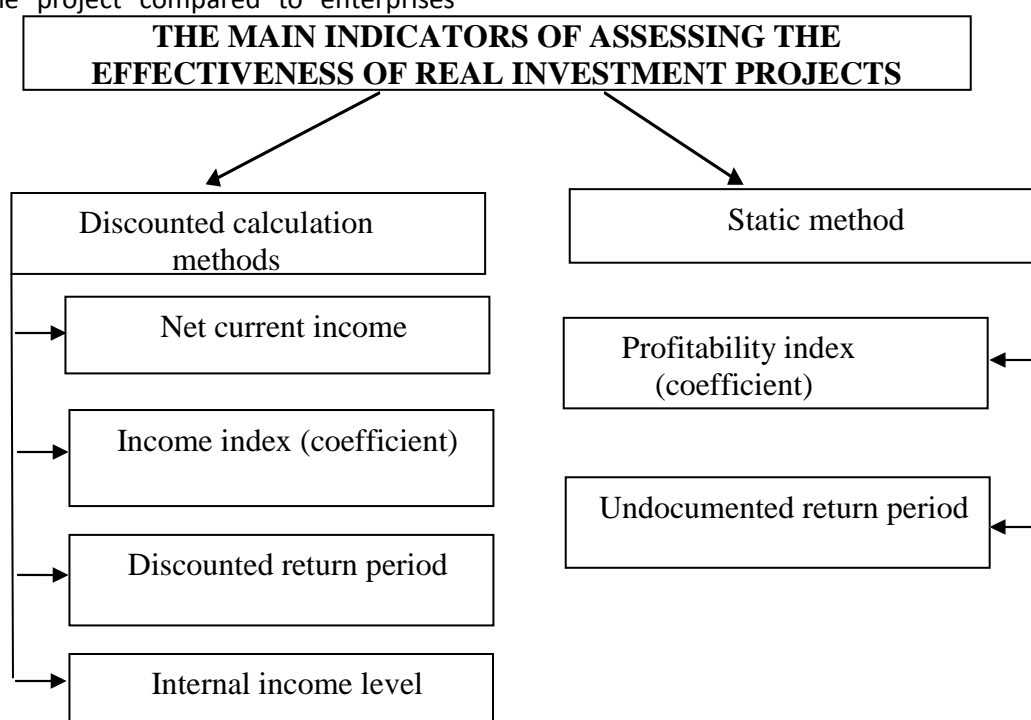


Figure 1. Grouping indicators for assessing the effectiveness of investment projects by calculation methods.

Therefore, several styles and systems of indicators are used to assess the effectiveness of investment projects. Five main styles are widely used in the evaluation of investment projects. In turn, these styles can be divided into two groups [8]:

Styles based on the application of the concept of discounting:

- * The method of determining the net present value;
- * The method of determining the return on investment;
- * A method for determining the internal rate of return.

Styles that do not involve the use of the discounting concept:

- * Methodology for determining the payback period of funds invested in investment projects;
- * Methodology for determining the accounting return on investment.

Systematic investment performance indicators help to make calculations on the application of investment projects of any type, regardless of their technical, technological, financial, industry or regional specifics,

based on the following basic principles of investment project analysis.

The presented system allows you to quickly assess the economic efficiency of investments in projects, which leads to an increase in the efficiency of investment management and the development of a certain territory.

At the current stage of Uzbekistan's development, it is very important to take into account all the shortcomings and mistakes made over the past years and determine a further strategy that will allow the country to move forward towards improving the investment climate. Studying the experience of effective work carried out by other countries to increase investment attractiveness is an important element in the formation of a base of mechanisms and tools in Uzbekistan that can be used by authorities at the state and regional levels.

However, there are several key points to consider.

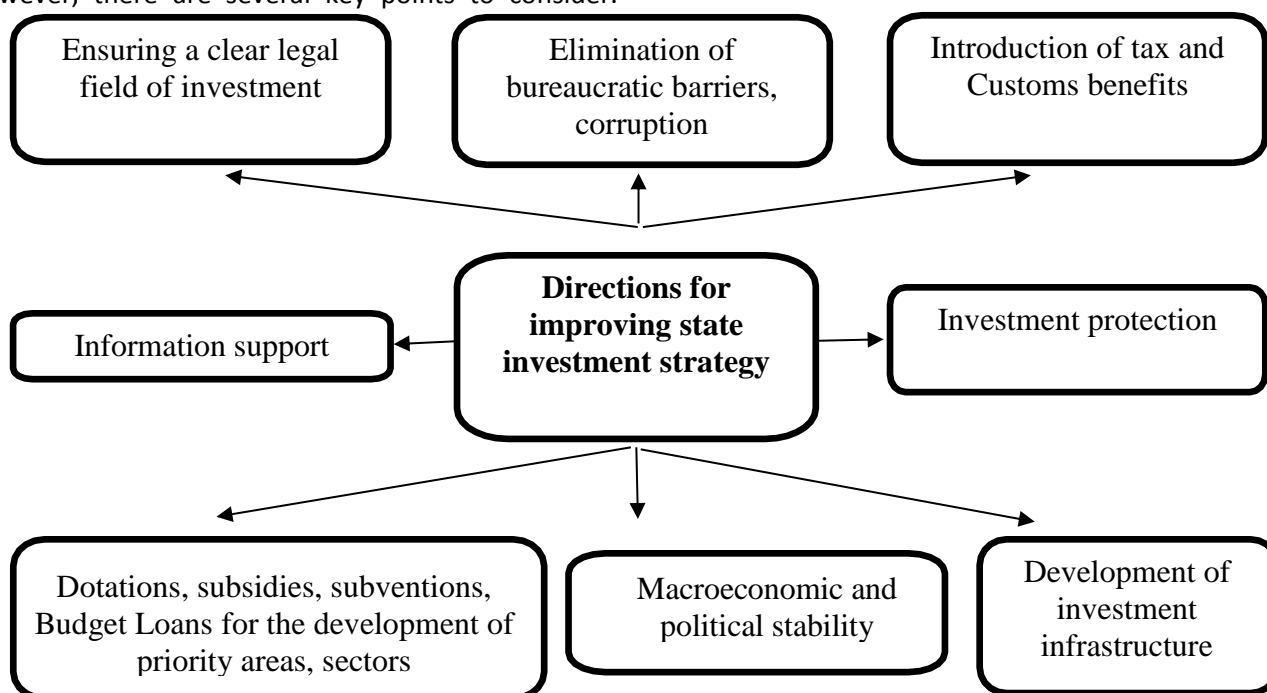


Figure 2. Directions for improving state investment strategy.

Thus, the regulation of the investment business climate in Poland is carried out using internal tools and common tools for the entire EU. However, EU regulations usually establish general principles for conducting business, while national acts are more specific. However, in addition to forming the basic principles for improving the investment climate, the EU generates financial resources aimed at supporting investment projects that are a priority for this entity. About a dozen funds can partially finance investment projects in Poland. Along with financial support, there is another form of government assistance, which is carried out through the functioning of a system of

Firstly, the investment attractiveness of the country as a whole largely depends on the investment attractiveness of each region in its composition. Secondly, the use of mechanisms and tools that have had a certain impact on improving the investment climate in other countries may not produce the expected result in Uzbekistan. Thirdly, the business reputation of the region, despite a certain abstraction, plays an important role in attracting investments. Fourth, among the totality of regions, the investor makes capital investments that receive a lot of support in them, which is not necessarily expressed in the form of financial assistance.

Thus, the directions for improving the state investment strategy are shown in Figure 2. We will look at the main mechanisms and instruments of investment policy that have proven their effectiveness and, under certain conditions, can be applied in Uzbekistan.

developed institutions, the purpose of which is to ensure sustainable investment development at the regional level. Consequently, institutions involved in the development of the investment climate include institutions with logistical support and qualified personnel who support businesses at the beginning of their production activities, as well as those who accompany these activities.

Thus, the following interesting elements can be extracted from the Polish experience:

- an integrated approach to improving the investment climate;

- International cooperation;
- use of international sources of financing;
- a well-developed institutional investment attraction network;
- the use of various tools, including their advertising.

The main institution involved in attracting investments to the Czech Republic is the agency Czechinvest. The main aspects of the activity of this institution are the support of existing and potential enterprises, as well as foreign investors.

Among the complex of measures to attract investments to the Czech Republic, the formation of clusters should be noted.

The Czech Republic's experience may be of interest to Uzbekistan:

- the Agency's investment attraction activities;
- Using the cluster approach;
- cooperation between business and scientific institutions.

The main unit engaged in attracting investments in Turkey, including the Investinturkey Agency at the regional level. In 2012, Turkey approved a new system of measures aimed at increasing the volume of

investment attraction. This system consists of four main investment schemes, each of which is characterized by different sets of investment advantages. The experience of Turkey may be of interest to Uzbekistan:

- a well-developed investment incentive system;
- the use of a differentiated approach to the development of territories;
- focus on innovative development.

Canada's investment status is regulated by both national legislation and documents regulating the activities of international organizations to which this country belongs (WTO, FTAA, NAFTA, etc.).

The main division engaged in attracting investments at the international level is the investin Canada agency. Investment development support programs for Canada are formed at both the national and regional (provincial) levels. The national level is characterized by the fact that the financial support of government agencies and agencies consists of the provision of grants, subsidies, guarantees of borrowing obligations, etc. All national support programs are divided into the groups shown in Figure 3.

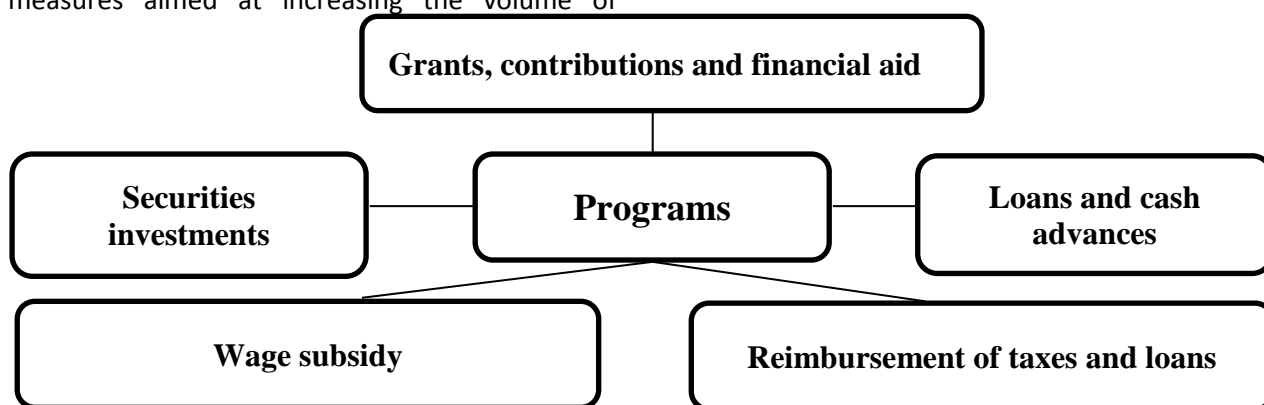


Figure 3. Groups that are part of the investment strategy support program

Each of these groups includes business support programs, the implementation of which provides for attracting significant amounts of investment at the national level and, in particular, at the level of individual regions.

Please note how the Canadian experience may be of interest to Uzbekistan:

- a systematic approach to attracting investments;
- a well-developed sector of institutional support;
- a variety of investment programs.

Effective work experience The focus on increasing investment attractiveness carried out by other countries is an important element in the formation of a base of mechanisms and tools in Uzbekistan that can be

used by authorities at the regional level. However, there are several key points to consider. Firstly, the investment attractiveness of a particular region largely depends on the investment attractiveness of the country. Secondly, the tools for improving the investment climate, which have proven themselves well in other countries, may not have the expected effect in Uzbekistan. Thirdly, the business reputation of the region, despite a certain abstraction, plays an important role in attracting investments. Fourth, among the totality of regions, the investor makes capital investments that receive a lot of support in them, which is not necessarily expressed in the form of financial assistance. It is necessary to take into account the capabilities of a particular region in terms of using

available resources and tools to develop an investment climate.

CONCLUSIONS

In our opinion, the experience of state-owned companies engaged in investor support is useful for use in Uzbekistan (for example: investinpoland, investinturkey, etc.). There is a National Investment Fund in the Republic of Uzbekistan that performs these functions. Further deepening of its cooperation with local governments will contribute to improving the effectiveness of this body.

Effective interaction between investors and authorities can be, among other things, in the form of a public-private partnership that facilitates the implementation of investment projects.

The region's image also plays an important role in shaping its investment attractiveness. Therefore, various agencies are engaged in advertising the country as a whole and individual regions in particular. In this regard, the Polish experience of creating a positive image of the region will be useful to Uzbekistan. It should be noted that the analyzed examples show that, despite the different approaches to the formation and implementation of investment policy, the main institutional components, such as an effective property rights protection system and an effective justice system, are important for improving the investment climate.

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