

THE ROLE OF AUDITING, FINANCIAL ACCOUNTABILITY, AND INNOVATION IN DRIVING GREEN ECONOMY GROWTH IN UZBEKISTAN

Bekzodjon Abdurazzakov

Tashkent State University of Economics,

Email: abdurazzaqovbekzodjon@gmail.com

Abstract: *Uzbekistan is on the path of a strategic transition to a green economy, which is reflected in its Green Economy Transition Strategy for 2019–2030 and its international climate commitments, made in accordance with the Paris Agreement. The transition requires green investments in areas like green bonds, renewable energy, and climate-smart agriculture. However, preventing greenwashing and maintaining investor confidence and trust in those investments is challenging, which complicates the transition to a green economy. Traditional financial auditing practice in Uzbekistan has focused on legal compliance and public financial accountability; however, this is not enough to fulfill the changing expectations of green finance. In response to this gap, the climate audit concept is emerging as a necessary consideration that bridges together traditional financial auditing, Environmental, Social, and Governance (ESG) standards, and the process of achieving Sustainable Development Goals (SDGs).*

This paper assesses the existing institutional arrangements for financial accountability in Uzbekistan, identifies systemic gaps, and considers innovations for supporting auditing and financial accountability. By utilizing international benchmarking, the research provides a recommended strategic roadmap to integrate climate audit mechanisms into the national financial control system. In addition to these contributions, this research also demonstrates how accountability

frameworks can be innovated to support the country's green economic growth. This study aims

Key words: *Green Economy, Auditing, Financial Accountability, Innovation Climate Audit Environmental, Social, and Governance (ESG), Sustainable Development Goals (SDGs), Green Finance, Green Bonds, Renewable Energy, Climate-smart Agriculture, Transparency, Investor Confidence, Uzbekistan, Sustainability Governance.*

Gross Domestic Product (GDP) is one of the most important macroeconomic indicators used to assess the performance of an economy of a country. It conveys and reflects the market value at which goods and services are produced for final consumption at completion in the year. GDP also includes production of the output of not just one business or sector of the economy, but of all sectors and utilizes factors of production and the value of goods and services to be consumed domestically and to be exported to other countries. GDP was first introduced more formally by Simon Kuznets in 1934, and is used in the US and other countries as an economic tool for understanding the economic strength of a country and assessing the volume of production and growth intentions. GDP provides important and useful information to policymakers through price changes, changes in production, and inflation, which are used in macroeconomic decision-making and planning. The year 2022 was a year of serious tests for the economy of Uzbekistan. After the pandemic, global uncertainties, disruptions of logistics, price changes in world markets and economic challenges of countries with which Uzbekistan traded created challenges. Nevertheless, the economy of Uzbekistan appeared to hold up under the shocks. According to the State Statistics Committee, GDP growth in Uzbekistan was 5.7% in 2022. While still lower than 7.4%

GDP growth in 2021, it demonstrates that Uzbekistan's economy has performed well in spite of the challenging global environment.

The World Bank suggests that in order for Uzbekistan to become a higher income country by 2030, the GDP growth rate would have to be raised considerably. The World Bank identifies four main reform areas. The first is promoting private sector development for improved allocation of land, labor, and capital, enhanced competition, liberalized trade and investment, and the facilitation of agricultural market reforms. The second involves reforming the role of the state, in which the state transitions from a producer to a facilitator and moves to reduce the role of state-owned enterprises, de-centralize functions, and improve transparency and accountability. The third reform area is investment in human capital which is improving education and healthcare, access to services, limits to poverty, and greater economic participation of youth, women, and vulnerable populations. The fourth reform area is promoting ecologically sustainable development, which implies the use of natural resources in an efficient manner, reduced greenhouse gas emissions, energy sector modernization, and improved disaster management. To achieve these aspirations, three factors are vital in helping the green economy grow: auditing, financial accountability, and innovation. Auditing promotes transparency, and efficient supervision of public finance and proper funding for green efforts.

Accountability for financial matters is critical for maintaining fiscal discipline, effectively managing public investment, and ensuring that green transitions yield tangible results for society. Transparent reporting frameworks will reduce the risk of corrupt spending and ensure that economic policies yield the desired results. Meanwhile, innovation is the engine of sustainable development. Scientific advancement across of

areas of energy, agriculture, and industry will facilitate less harm to the environment while enhancing productivity. Investments in R&D, incubating start-ups, and transitioning to clean technologies will allow Uzbekistan to expedite its green transition while strengthening its place in the global landscape.

References

1. "Taraqqiyot strategiyasi 2022–2026" (Development Strategy 2022-2026) by "Yangi O'zbekiston" (New Uzbekistan).
2. Dolgova V.N., T.Yu. Medvedeva, T.V. Khomutinnikova. "Makroekonomicheskaya statistika. Praktikum." (Macroeconomic Statistics. Workshop.) Moscow: Financial University, 2015. 149 pages.
3. Zolotachuk V.V. "Makroekonomika." (Macroeconomics.) Textbook. Moscow: Infra-M, 2014. 107 pages.
4. Mambetjanov Q.Q. "Yalpi ichki mahsulotni xarajatlar bo'yicha hisoblash usulini takomillashtirish yo'llari" (Ways to Improve the Calculation Method of Total Internal Product Costs). Journal "Iqtisod va moliya" (Economy and Finance), 2017, pp. 9-12.)).