

**MECHANISMS FOR IMPLEMENTING INNOVATIONS BASED ON PUBLIC-
PRIVATE PARTNERSHIPS**

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Abstract

This article analyzes the theoretical and practical aspects of implementing innovations within the framework of the public-private partnership (PPP) system. The main focus is placed on the role of PPP in the country's innovative development, its mechanisms, and the factors that enhance its effectiveness. The study examines ways of financing innovative projects, developing them, and implementing them in practice through strengthening cooperation between the public and private sectors.

The article also highlights the organizational and legal mechanisms for implementing innovations based on PPP, the risk management system, and proposals and recommendations developed on the basis of international experience. The obtained results are aimed at developing innovative activity in the economy of Uzbekistan, creating competitive products, and increasing overall economic efficiency.

Keywords: public-private partnership, innovation, mechanism, cooperation, investment, efficiency, management, modernization.

Sustainable development of the modern economy is closely linked to the expansion of innovative activity. The introduction of innovations into economic sectors requires the active participation not only of the state but also of the private sector. Therefore, in recent years, public-private partnership (PPP) mechanisms have been recognized as one of the most important tools for implementing innovation policy.

Public-private partnership is a form of cooperation between government authorities and private business entities based on shared responsibility and benefit distribution in financing, managing, and implementing socially significant projects.

The main objectives of PPP are the efficient use of resources, risk sharing, and the accelerated introduction of innovative technologies.

Innovative processes require significant investments, expertise, and advanced technologies. While the private sector has advantages in technology and management, the state plays a crucial role in stimulating innovation and developing infrastructure. Through the PPP model:

- cooperation between research centers and enterprises is established;
- joint funds are created to support startups and innovative projects;
- innovative infrastructure—such as technoparks, incubators, and clusters—is jointly managed.

The implementation of innovations based on PPP is carried out through the following mechanisms:

1. Financial mechanism – allocation of subsidies, grants, and tax incentives by the state, and direct investments by private investors.
2. Legal mechanism – regulation of innovative activity through laws, licensing systems, and ensuring transparency of contracts.

3. Organizational mechanism – establishment of coordinating institutions that ensure sustainable cooperation between the state, business, and scientific institutions (e.g., the Innovation Development Agency).

4. Technological mechanism – introduction of advanced technologies through technoparks, research centers, and digital platforms.

5. Information mechanism – project management through open databases, online monitoring systems, and analytical platforms.

In the Republic of Uzbekistan, a number of measures have been implemented to develop the PPP institution. In particular:

- in 2019, the Law “On Public–Private Partnership” was adopted;
- the Innovation Support Fund was established under the Ministry of Innovative Development;
- several technoparks and startup incubators were launched in Tashkent, Fergana, and Samarkand.

Through these projects, advanced innovative solutions are being introduced in sectors such as energy, transport, healthcare, education, and information technologies.

Despite the progress achieved, several challenges remain in developing innovations through PPP:

- insufficient investment confidence of the private sector;
- underdeveloped systems for assessing the economic efficiency of innovative projects;
- shortage of qualified personnel.

To address these challenges, the following measures are recommended:

- expansion of state guarantees and tax incentives;
- introduction of a national rating system for evaluating innovative activities;
- development of training programs for innovative personnel based on international best practices.

Public–private partnership represents an effective model of innovative development that harmonizes the strategic objectives of the state with the resources of the private sector.

To further improve the PPP system in innovation, the following measures are proposed:

1. further development of a specialized legal and regulatory framework aimed at supporting innovative projects within PPP;
2. diversification of financing sources by effectively utilizing private investments, international grants, and venture funds alongside the state budget;
3. expansion of innovative infrastructure by establishing technoparks, innovation centers, and startup incubators through PPP;
4. strengthening cooperation between research institutions, higher education institutions, and the business sector to develop human capital;
5. studying and adapting international experience to enhance the effectiveness of innovation implementation mechanisms based on PPP in Uzbekistan;
6. improvement of monitoring and evaluation systems for PPP projects, ensuring performance assessment based on clear indicators.

The implementation of these innovation mechanisms will not only modernize economic sectors but also enhance the country’s overall competitiveness. Thus, under the conditions of Uzbekistan, the development of innovations based on public–private partnerships will elevate science, production, and governance systems to a new level.

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