



Journal Website:
<https://theamericanjournals.com/index.php/tajmei>

Copyright: Original content from this work may be used under the terms of the creative commons attributes 4.0 licence.

ABSTRACT

Our research shows that one of the most modern and effective methods of financing in the clusters of our country - mezzanine financing, has not been developed in scientific, methodological and practical-theoretical aspects. Therefore, in this study, we will analyze the issues of mezzanine financing in the clusters of Uzbekistan based on international experience.

KEYWORDS

Mezzanine, raw materials, agroclusters, to invest, business, production costs, finance.

INTRODUCTION

One of the goals of the development strategy of our country for 2022-2026 is "to improve the system of providing agricultural services based on science and innovation, to supply agro-industrial enterprises with raw materials and to increase the production volume by 1.5 times" [1].

The strategy of reducing production costs, increasing profit and achieving financial stability by increasing the financial efficiency of the clusters established in the country's agriculture as a fulfillment of these tasks is a constant focus of our state. At the same time, our

Research Article

IMPROVING THE ANALYSIS OF THE MEZZANINE FINANCING IN UZBEKISTAN CLUSTERS

Submission Date: September 20, 2023, Accepted Date: September 25, 2023,

Published Date: September 30, 2023 |

Crossref doi: <https://doi.org/10.37547/tajmei/Volume05Issue09-05>

Ilhom Sayitkulovich Ochilov

Independent Researcher (Dsc), Associate Professor, Tashkent State University Of Economics, Uzbekistan

research shows that scientific methodological and practical-theoretical aspects of one of the most modern and effective methods of financing in the clusters of our country - criterion financing - have not been developed. Therefore, in this research work, we will consider the issues of improving the benchmark financing analysis in Uzbekistan's clusters based on international experiences.

"Mezzanine" comes from Italian and means "half", "middle" or "platform connecting the floors of a building". The mezzanine financing method was first

used in the 1970s in the USA as a revolutionary method of financing business activities. In European countries, in the 90s, companies with financing equal to several hundred million euros used this method. Approximately 25% of the local funds operating in Central European countries, created by the initiative of the European Bank for Development and Reconstruction (EBDR), were formed at the expense of benchmark financing. In 2011, for the first time in Russia, a \$250 million New Russia Growth fund based on benchmark financing was created. The fund provides investments in the amount of 100-1000 million rubles for 3-5 years to agricultural enterprises in Russia and the Commonwealth of Independent States countries, in which the internal rate of return of the projects deemed suitable for financing is required to be at least 30%.

Today, the benchmark method is becoming one of the most advanced forms of business financing in the world.

So, in our opinion, the benchmark financing is the additional amount of money after the maximum loan from the bank. We believe that it is appropriate to use this financing method for financing clusters.

Literature analysis. Some theoretical, organizational and methodological aspects of the problems related to the improvement of the methodology of increasing the efficiency of clusters in the conditions of economic transformation were covered by the scientists of our country and foreign scientists. However, in their scientific research, the cluster financing methodology, including benchmark financing issues, was not considered in depth.

Yu.S. Ovanesova, one of the Russian scientists, in her scientific research, called benchmark financing a new trend in the Russian economy and analyzed the

advantages and necessity of benchmark financing for agro clusters in agriculture [2].

O.A. Zhdanova analyzed the advantages and disadvantages of criterion financing, including the possibilities of using this method in the agricultural economy [3].

M. Obidov, one of the scientists of our country, carried out the analysis of the classification and accounting of costs in clusters, their costs, and the financing analysis of the cost of products [4].

In our opinion, it is necessary to use the criterion financing method to assess the financial efficiency of clusters and to pay special attention to 1) consideration of the existing opportunities in the agricultural sector to improve the general integration processes of various business models with synergistic effects, as well as to support the formation of agro-industrial clusters in the region by various institutions agricultural impact assessment; 2) to develop an evaluation methodology that expresses the procedure for calculating the general indicator for each financial indicator of agro cluster efficiency based on a combination of vertical contractual relations between large and small farms and horizontal cooperative relations between small farms; 3) Comprehensive, perfect scientific justification of the methodology of applying the benchmark financing to agro clusters, which is used in other sectors of the economy of Uzbekistan.

RESEARCH METHODOLOGY

In the course of our research, we used the method of comparative analysis to express the problems of shortage of financial resources of clusters through benchmark financing opportunities, as well as the

dialectical method to adapt to the available financial resources.

Analysis and results. The mezzanine financing method is now widely used by large companies in situations where there is a significant gap between the business's financial capabilities and investment needs. In this case, the criterion of financing means arises from the need to quickly attract capital in a rapidly developing business.

Based on the used financing tools, we can classify benchmark financing as follows:

debt mezzanine (debt-like instruments), i.e. these include unsecured loans and loans from project partners. These are special debt instruments based on a fixed or variable interest rate for which the investor pays;

capital criterion (equity-like instruments), that is, in this form, the investor receives a part of the property rights, including the authority to use information about the enterprise, control its activities and influence its development.

Mezzanine financing has a feature called subordinated debt. This means that the borrowing company first undertakes to repay large loans (senior debts) and only then the benchmark obligations (subordinate) are paid.

It should be noted that the criterion is not a certain source of capital, but a method of financing.

Depending on the specific operation, this method of financing may include various financial instruments, for example, bonds, preferential loans, or shares. The subjects of mezzanine financing may be specialized mezzanine funds, venture capital funds, or private equity funds (high-risk financing).

Benchmark financing is an innovative mechanism for providing financial resources in the economy of Uzbekistan, including in the field of agriculture.

Mezzanine financing is a form of so-called hybrid forms of financing, which include a combination of own and borrowed sources of financing that combine the features of various forms of financing, a synthesis of the loan form of financing with own funds, as well as the use of securities and/or derivative financial instruments in operations. Mezzanine financing has a synergistic nature and increases the financial profitability of the cluster.

For the innovative development of the agricultural sector of Uzbekistan, the debt part of the benchmark in the form of a subordinated loan has become important, and although the interest rate is higher than the average indicator, the risk can be increased. Bond loans are useless for agroclusters due to the complex procedure of issuing bonds, which is strictly regulated by the state. In this sense, benchmark financing mainly involves taking secure loans. In this case, when using the benchmark financing mechanism, assets of agro-industrial enterprises, such as real estate, machinery, equipment, and the like, may be used as collateral. The fixed assets of agricultural enterprises - livestock are almost never used as collateral due to their high risk, and land, on the contrary, is one of the most necessary assets for creditors to ensure repayment of loans.

Mezzanine shares must be presented in the form of a financial instrument that gives the owner the right to purchase shares of the agricultural cluster under certain conditions or at a certain time at a predetermined price. This fits well with the strategy of developing innovative agricultural clusters in Uzbekistan, which creates free cash flow through the use of exclusive rights to intellectual property in the

production process. But now there are very few such clusters in our country.

With an average payback of 5-7 years, a grace period is often offered at the beginning of the loan period, which allows agroclusters to invest in expanding their business. This is related to the specific characteristics of agribusiness, which requires not only serious investments in fixed and working capital, but also large costs for breeding work, and is fully consistent with the goals of innovative development of agricultural clusters.

In the cluster business plan, to organize a continuous chain of the production process from the cultivation of raw materials to its sale as a finished product, the calculation and control of the costs of these processes, the development of measures to reduce the cost of products, the launch of investment projects and new production facilities determining the sources of financing and taking into account the actual spending of the expenses with the forecast indicators are considered to be urgent issues [5].

CONCLUSIONS AND SUGGESTIONS

In order to improve the analysis of economic efficiency in the activities of clusters, it is necessary to implement the following, making good use of the experience of developed foreign countries:

development of a methodology for the use of benchmark financing mechanisms in the activities of clusters and their implementation in the clusters of Uzbekistan;

introduction of a mechanism for the appropriate distribution of the received profit depending on the contribution of the enterprises included in the cluster to the finished product;

allocation of preferential loans and subsidies by the state to support funds for cluster activities;

use of a system of indicators representing the effectiveness of organizational-economic, and financial mechanisms and improvement of the methodology for the analysis of indicators;

use of a complex indicator of performance evaluation and application of the KPI evaluation method to the practice of clusters.

REFERENCES

1. Ўзбекистон Республикаси Президентининг 2022 йил 28 январдаги “2022-2026 йилларга мўлжалланган Янги Ўзбекистоннинг тараққиёт стратегияси” тўғрисидаги ПФ-60-сон Фармони, 2022 йил 29 январь.
2. Ованесова Ю.С. (2015) Мезонинное финансирование как новый тренд для России. Управленческий учет и финансы 4: 282-294с.
3. Жданова О.А. (2013) Мезонинное финансирование: преимущества и недостатки. Материалы Международной научно-практической конференции «Ценности и интересы современного общества», часть 1, Москва, Московский государственный университет экономики, статистики и информатики: 284–288 с.
4. Обидов Р.Р. “Кластер тизимида харажатлар ҳисобини такомиллаштириш” мавзусида иқтисодиёт фанлари бўйича фалсафа доктори илмий даражаси учун ёзган диссертацияси автореферати. Т.: 2021й. 62 б.
5. Очиллов И.С. (2022). Трансформация ва рақамли иқтисодиёт шароитида агрокластерлар самарадорлиги таҳлилини такомиллаштириш. Монография. - 2022. -Т:

- “O`zkitob savdo nashriyot matbaa ijodiy uyi”
nashriёti. – Б 172.
6. Очилов И.С. (2023). Ривожланган чет мамлакатлар тажрибалари асосида агрокластерлар таҳлили. O`zbekiston qishloq va suv xo`jaligi. - 2023. Махсус сон. – Б 85-86.
7. Очилов И.С. (2023). Агрокластерлар молиявий самарадорлиги таҳлилин такомиллаштириш. Agroiqtisodiyot. - 2023. – №4. - Б. 113-115.
8. Очилов И.С. (2023). Хизмат кўрсатиш кластерларининг ташкилий-иқтисодий ва молиявий самарадорлиги таҳлили. Agroiqtisodiyot. - 2023. – №1. - Б. 151-152.
9. Очилов И.С. (2023). Кластерларни таснифлаш, уларнинг ташкилий иқтисодий таҳлили. Agro Ilm. - 2023. – №1. - Б. 87-89.
10. Очилов И.С. (2023). Агрокластерларнинг ташкилий-иқтисодий ва молиявий таҳлили. Бизнес-Эксперт. - 2023. – №4. – Б 12-15.
11. Saidov M.H., Ochilov I.S. (2023). Theoretical analysis of agricultural clusters in innovative economy. BIO Web of Conferences 65, 03006. EDP Sciences. - 2023.- <https://doi.org/10.1051/bioconf/20236503006>. - pp. 1-9.
12. Очилов И.С. (2023). Агрокластерларда хизмат кўрсатиш самарадорлиги таҳлили. Хизмат кўрсатиш соҳасини ривожлантириш ва камбағалликни қисқартиришда рақамли ҳамда инновацион технологиялардан фойдаланиш имкониятлари. Халқаро илмий-амалий конференцияси материаллари тўплами (1-қисм). СамИСИ, Самарқанд. - 2023. – Б 213-219.
13. Ochilov I.S. (2023). Issues of improving the organizational and economic mechanisms of clusters in the conditions of transformation of the agrarian sector /I.S.Ochilov, A.X.Dustmurodov// Sustainable economic development of regions: international and national concepts. International scientific-practical conference. TSUE, Samarkand. - 2023. - PP. 184-192.
14. Саидов М.Х., Очилов И.С. (2023). Аналитическое обеспечение кластеров в инновационной экономике. Развитие сельских территорий: региональный аспект. Сб. ст. по материалам XVII Междунар. науч.-практ. конф./отв. за вып. А.А.Адаменко. – Краснодар: КубГАУ. - 2023. - С. 163-172.