



## TRENDS AND PROSPECTS OF VENTURE FINANCING DEVELOPMENT IN THE REPUBLIC OF UZBEKISTAN

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<b>Received:</b> 14 <sup>th</sup> February 2026 <b>Accepted:</b> 11 <sup>th</sup> March 2026	This article examines current trends and expectations in the development of venture financing as a key instrument for supporting startup projects and small innovative enterprises. Using scientific literature, regulatory documents, official online resources, academic theories, and literature review, the study covers the institutional context of venture market growth in emerging economies. Special attention is given to the evolution of government policy in the field of venture financing and its impact on the creation of a national innovation ecosystem. The current state of the venture market and key priorities for its development are described.

**Keywords:** Venture financing, venture capital, startups, innovation ecosystem, government policy

### INTRODUCTION

The acceleration of digitalization and technological transformation enhances the role of innovation as a driver of economic growth. In this context, access to financing is crucial for the development of startup projects and small innovative enterprises, whose activities are typically characterized by high uncertainty and investment risks [1]. Traditional financing sources usually focus on financially stable cash flows and collateralized enterprises, which significantly limits opportunities for innovative firms at early stages [2]. Consequently, venture financing is considered an alternative form of capital attraction, involving investor ownership stakes and shared risk. This instrument is particularly important for emerging economies to increase economic diversity, promote entrepreneurial activity, and develop high-tech sectors [3]. In recent years, government policy in the Republic of Uzbekistan has undergone significant changes, strengthening the institutional foundations for the creation of a venture market. Therefore, analyzing the current state and development prospects is important. This study focuses on the contemporary stage of science-oriented development in the Republic of Uzbekistan and examines international experience in the formation and organization of venture financing mechanisms.

### LITERATURE REVIEW

In contemporary economic literature, venture capital is defined as a form of long-term investment in companies aiming for rapid growth and commercialization of innovative solutions [4]. Research shows that venture investments are not only financial assets but also influence managerial skills, strategic planning, and competitiveness of leading companies [5]. Academic literature emphasizes the institutional context as a primary factor determining the efficiency of the venture market. It has been established that the effectiveness of venture financing depends on investor protection, financial market depth, and the quality of government regulation [6]. In emerging countries, state organizations play a significant role in the growth of the venture sector, compensating for the lack of private funds and mitigating risky investments at the early stages of projects [7]. Recent empirical studies indicate that government support instruments for innovation can positively affect technology adoption rates if they are institutionally well-designed and market-oriented [8]. Both direct and indirect state support has contributed to increased entrepreneurial activity and attracted private investment [9]. In this context, government venture financing forms part of a broader innovation and industrial policy aimed at creating sustainable entrepreneurial conditions [10]. Furthermore, the development of venture financing in emerging economies is multifactorial and depends on three key factors: (i) institutional stability, (ii) predictability of the regulatory environment, and (iii) the level of private sector participation. Analysis of international experience suggests that, in the



absence of well-developed financial markets, government venture instruments reduce entry barriers for innovative firms, whose success largely depends on the state’s ability to create partnership models with private investors [11].

### RESEARCH METHODOLOGY

The study is based on both systemic and comparative methodological approaches. Methods applied include analysis and synthesis of scientific publications, study of regulatory legal acts and official online resources, as well as structural analysis of the elements of the venture ecosystem. The information base primarily consisted of peer-reviewed scientific journals, analytical reports published by international organizations, and regulatory documents covering the period 2020–2025.

### ANALYSIS AND DISCUSSION OF RESULTS

In the Republic of Uzbekistan, the creation of state venture infrastructure was institutionally supported by the establishment of the National Venture Fund in accordance with the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated 03.11.2020 No. 684 [13]. This resolution defined the legal status of the fund, its objectives, and the main mechanisms for financing startup projects at early stages. At the initial stage, state participation in venture financing was generally direct, performing tasks such as launching the venture market and establishing a basic institutional infrastructure. As participation in the venture ecosystem expanded, the need arose for a more flexible and market-oriented approach to stimulating innovative entrepreneurship. The second formal transformation of the institutional model of venture financing is reflected in the Resolution of the President of the Republic of Uzbekistan dated 14.10.2024 No. PP-357. One of its measures for further developing venture financing is the transformation of the National Venture Fund into a Fund of Funds, placed under the mandate of the Ministry of Economy and Finance of the Republic of Uzbekistan [12]. This change reflects the government’s intention to develop co-investment mechanisms and attract private investors, in line with international innovation policy [14]. This recent act also allows commercial banks and business entities with a state share exceeding 50% to establish venture funds. The legal framework established by these regulatory acts is reflected in the dynamics of venture fund creation in the Republic of Uzbekistan. The tables below present the formation of state and private venture funds by year.

**Table 1. State Venture Funds Established in the Republic of Uzbekistan**

No	Name	Year	Founder	Model	Source
1	National Venture Fund "UzVC"	2020	State	Fund of Funds	Resolution of the Cabinet of Ministers of the Republic of Uzbekistan "On measures for organizing the activities of the National Venture Fund "UzVC"" dated 03.11.2020 No. 684 – <a href="https://lex.uz/docs/5077677">https://lex.uz/docs/5077677</a> [15]
2	Aloqa Ventures	2021	Aloqabank	Banking VC	<a href="https://www.aloqaventures.uz/">https://www.aloqaventures.uz/</a> [16]
3	SQB Ventures	2023	Uzpromstroybank	Banking VC	<a href="https://sqbventures.uz/">https://sqbventures.uz/</a> [17]
4	IT Park Ventures	2024	IT Park Uzbekistan	Institutional Fund	<a href="https://it-park.uz">https://it-park.uz</a> [18]
5	United Ventures	2024	Consortium of banks	Banking VC	<a href="https://uventures.uz/">https://uventures.uz/</a> [19]
6	Yoshlar Ventures	2025	Supported by the Agency for Youth Affairs	Venture Fund	<a href="https://yoshlarventures.uz/">https://yoshlarventures.uz/</a> [20]



**Table 2. Private Venture Funds Established in the Republic of Uzbekistan**

No	Name	Year	Founder	Model	Source
1	Sarmo Ventures	2025	Private venture fund (initiators – venture investors, including Abdul Sharopov)	Venture Fund (pre-seed)	<a href="https://uz.linkedin.com/company/sarmovc">https://uz.linkedin.com/company/sarmovc</a> [21]
2	Imkon Ventures	2025	Co-founders: venture investor Tohir Mirzajanov and Muhammad Khalil (Startup Garage)	Private Venture Fund	<a href="https://imkon.ventures/">https://imkon.ventures/</a> [22]
3	DOMiNO Ventures	2025	International venture fund (DOMiNO Ventures) jointly with UzVC	International Venture Fund	<a href="https://dominovc.com/">https://dominovc.com/</a> [23]
4	Big Sky Capital VC	2025	International investment firm (Big Sky Capital)	International Venture Fund	<a href="https://www.linkedin.com/company/big-sky-capital-vc">https://www.linkedin.com/company/big-sky-capital-vc</a> [24]

The analysis of the venture market structure indicates increasing institutional diversity and the gradual strengthening of the banking sector’s role in venture financing. At the same time, government policy is steadily shifting from direct financing of startups to creating conditions for sustainable development of the venture ecosystem.

## CONCLUSIONS

The venture financing institution in the Republic of Uzbekistan is currently undergoing structural transformation. The establishment of the National Venture Fund and its transformation into a Fund of Funds has opened the national venture ecosystem and stimulated private capital. Future prospects for venture financing include further expansion, an increase in institutional investors, improvements in the legal support system, and enhancement of the professional structure of the venture market. Consistent implementation of government support measures will further strengthen the role of venture capital in the innovative development of Uzbekistan’s economy and contribute to a more sustainable and favorable entrepreneurial environment.

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