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# Construction of Student Residences in Higher Education Institutions of the Republic on the Basis of Public Private Partnership

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**Abstract:** In this article, the regulatory and legal basis of construction of student residences on the basis of public-private partnership in higher education institutions of the Republic of Uzbekistan, the importance and specific features of the construction, and the issues of increasing the efficiency of the spent funds are studied.

**Keywords:** public-private partnership, accommodation, efficiency, budgeting, selection, tender, direct contracts, contract.

At the initiative of the head of our state, a unique system was created in recent years for a step-by-step but rapid solution to the need for dormitories in our country. This, in turn, increased the urgency of providing students with accommodation.

It should be noted that on the basis of this system, firstly, by optimizing the living rooms in the existing student residences and installing bunk beds, an additional 20,000 places were created. Therefore, 29 student residences with an additional 11,400 beds were built and commissioned on the basis of state budget funds, extra-budgetary funds of higher education institutions, public-private partnership and rent.

As a result, 32,100 additional places were created last year and the number of student residences in state higher education institutions was increased to 257. This made it possible to accommodate 91,400 students and covered 41% of the dormitory needs. Nevertheless, there is still a need for additional 131,600 student residences.

Due to the high attention paid to young people, 50% of the monthly rent paid by 60% of the students of state higher education institutions who live on the basis of the right of rent in a house that is not provided with a bedroom and does not belong to them, including their parents, is reimbursed from the state budget.

A system of building student residences in the regions based on public-private partnership (PPP) with the participation of business entities and budget subsidies was established.

In accordance with the decision of the Cabinet of Ministers dated September 9, 2021 No. 563 "On measures to increase the level of accommodation for students in higher education institutions of the



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Republic", 91.2 in 85 higher education institutions in 2022-2025 on the basis of public-private partnership It is planned to build 228 student residences with a thousand beds. In addition, the development strategy of New Uzbekistan for 2022-2026 calls for increasing the number of student residences to 100,000 places during this period, including the construction of 47 student residences with 18,800 beds this year, and by 2026, the level of providing students with dormitories should be 60 percent. increase is indicated.

At first, at the initial stage of the implementation of this system, entrepreneurs did not show sufficient interest in participating in projects on the establishment of hostels under the terms of public-private partnership. The reason is that the building constructed for the dormitory is completely transferred to the balance sheet of the higher education institution after the expiration of the terms of PPP and does not remain in the form of property for the entrepreneur, the validity period of the transaction in accordance with the project evaluation documents when concluding PPP contracts is short, and the amount of subsidy paid for each bed in certain types of projects is small.

At the meeting held under the chairmanship of the head of state on March 4 this year, dedicated to the priority tasks of ensuring the employment of students of higher education institutions, it was noted that a system for student dormitories was created in 2021, but it was noted that construction works are not carried out in the same way in all regions. Instructions were also given for the construction of dormitories for students.

For example, if the rector of the university takes the initiative to implement 50% of the construction of the dormitory at the expense of the educational institution he leads, the remaining 50% will be covered from the budget.

With the decision of the Cabinet of Ministers dated May 6 of this year "On approval of the regulation on the procedure for allocating subsidies from the state budget of the Republic of Uzbekistan for the construction of student residences on the basis of public-private partnership" in order to ensure the performance of duties, the state budget for the construction of student residences on the basis of public-private partnership the regulation on the subsidy allocation procedure was approved.

Entrepreneurs were given ample opportunities to build student residences on the basis of public-private partnership. In particular, the amount of subsidy allocated from the state budget for one bed in hostels built by business entities on the basis of public-private partnership has been increased.

Double-guaranteed funding will be paid to entrepreneurs who build student housing. To increase the attractiveness of the program, the subsidy was doubled. The subsidy for financing public-private partnership projects on the basis of freely negotiable conditions for 1 student for one year is covered in the amount of 25 times of the base calculation amount (6 million 750 thousand soums). In this process, 0 times the amount of the basic calculation will be guaranteed at the expense of the higher education institution and 15 times the amount of the basic calculation will be covered from the budget. This will bring an income of about 3 billion soums to the entrepreneur in 1 year.

Also, in the decision of the President of April 15, 2022 "On further improvement of inter-budgetary relations and tax administration" it was determined to increase the amount of subsidies to create favorable conditions for entrepreneurs, to review the right to property ownership. The local entrepreneurs who built the student residences at their own expense were ordered to transfer the property rights to the entrepreneur for not more than 20 percent of the total area of the building. That is, 20 percent of the hostels built on the basis of public-private partnership will be registered with the cadastre as property rights to the entrepreneur. Let's say that an entrepreneur builds a building with at least 400 beds on the allotted land and uses at least 200 of it at a price agreed with the higher education institution. The remaining 200 will be set by the commercial price instead. In this form, an



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entrepreneur will have an income of about three billion soums in a year. This is the income from one four-hundred-bed dormitory.

It is noteworthy that the entrepreneur can get additional income for himself in this place. That is, there is an opportunity for him to use the built space in excess of the agreed amount.

Another news is that the businessman managed to allocate 400 places for students in a multi-storey building. For the remaining part, he can open a hotel or various training courses, a service center at his own expense.

If an entrepreneur transforms his personal property and existing building into a student residence without building a new building, he will receive a subsidy in the amount of 15 times the basic calculation amount given by the state. In short, the introduction of the new procedure will serve the interest of the higher education institution, the entrepreneur, and the students.

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