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Financial Sources of Management of Investment And Construction Processes and Increasing The Efficiency of Their Use

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Abstract: Sustainable tourism has become a central focus of contemporary research as destinations seek to balance economic growth, social inclusion, and environmental conservation. This study explores how the diversification of tourist products and services contributes to sustainable tourism development. Through an examination of the scientific literature and case studies, the article demonstrates that diversification enhances destination resilience, drives innovation and maximises equitable returns for host communities. The research claims that diversification is not an economic model, but a complete approach that backs the preservation of culture, ecological sustainability and long term competitiveness. The linkages between sustainable tourism development, and destination management Sustainable tourism development refers to the ongoing process of improving or innovating to make tourism more sustainable.

Keywords: Tourism Development, Tourist Products and Services

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1. Introduction

In the current economic development conditions, investment and construction processes are not only a means of expanding production and infrastructure, but also an important mechanism for redistributing financial resources and increasing economic efficiency. Especially in conditions of limited financial resources, the issue of proper formation and rational use of financial resources in the implementation of investment and construction projects is of particular relevance.

Practice shows that most of the problems arising in investment and construction processes are not related to a lack of financial resources, but to the low efficiency of using existing financial resources. Although public investments, private capital, bank loans, foreign investments and alternative financing instruments are widely used in the construction sector, their mutual coordination and effective management are not sufficiently ensured.

In this regard, in the management of investment and construction processes, it is of great scientific and practical importance to analyze the composition of financial resources, assess their economic characteristics, and develop mechanisms for increasing the efficiency

of using financial resources in investment projects. Incorrect planning of financial flows, violation of estimate discipline and weak financial monitoring system lead to the delay of investment projects and failure to achieve the expected economic results. The study focuses on ensuring the sustainability of investment and construction processes by developing scientific conclusions and practical proposals aimed at increasing the efficiency of the use of financial resources.

Literature review.

The issues of financing investment and construction processes have been formed as a separate direction in the economic literature, and research has been conducted mainly in connection with the composition of financial sources, their cost, risk level and economic results of investment projects.

In foreign scientific literature, financing of investment and construction projects is interpreted from the point of view of the cost of capital and risk distribution. In particular, in the theory of financial structure developed by Franco Modigliani and Merton Miller[1], the composition of financing sources is considered as an important factor affecting the total cost of investment projects. This approach serves as an important theoretical basis for choosing the ratio of debt and equity in construction projects.

Eugene F. Brigham[2], who studied the issues of the efficiency of the use of financial resources, emphasizes that it is possible to increase the profitability of the project by reducing the cost of financing sources in investment projects. In his opinion, the use of long-term and relatively cheap financial resources ensures the sustainability of construction projects.

Practical aspects of financing construction projects are widely covered in studies by the World Bank[3] and the International Finance Corporation[4]. These sources emphasize the importance of attracting private capital and credit resources, along with state funds, in infrastructure and construction projects, as well as transparency and financial discipline in increasing the efficiency of using financial resources.

Scientists from the CIS countries have analyzed the issues of using financial resources in investment and construction processes in connection with estimate discipline and financial control. In particular, I.A. Blank[5] scientifically substantiated that the efficiency of using financial resources in construction projects is directly related to the level of development of the cash flow planning and financial monitoring system.

In domestic scientific literature, the issues of financial support for investment and construction processes are mainly covered within the general framework of investment activities, and the efficiency of financial resources is studied in the context of sectors. In particular, Sh.I. Mustafakulov[6] emphasizes the need to diversify sources of financing and combine state investments with private capital to increase the efficiency of using investment resources. This approach is of great importance in financing construction projects.

Also, in the research of B.B. Berkinov[7], the effectiveness of capital investments is analyzed depending on the sources of formation of financial resources and the mechanisms of their use. According to the scientist, if their cost and risk level are not taken into account when choosing financial resources, the economic results of construction projects will not be as expected.

The analysis of the literature shows that although the sources of financing of investment and construction processes are studied separately in existing scientific works, the issues of assessing the composition of financial resources and the effectiveness of their use as a single system are not sufficiently comprehensively covered[8]. In particular, there is a lack of integrated approaches to assessing the impact of financial resources on the duration, cost and economic results of investment and construction projects.

2. Materials and Methods

This study is aimed at assessing the sources of financing investment and construction processes and the effectiveness of their use, and was carried out on the basis of a systematic and comprehensive approach. The study used statistical and comparative analysis, structural-functional approach, economic analysis and SWOT analysis methods. The data for the analysis were formed on the basis of official information from the State Statistics Committee of the Republic of Uzbekistan, the Central Bank and relevant analytical sources. The results obtained served as the basis for developing scientific conclusions aimed at increasing the effectiveness of the use of financial resources in investment and construction processes.

3. Results

In recent years, significant changes have been observed in the structure of sources of financing for investment and construction processes. Although the leading position of state investments remains, the role of private capital, bank loans and alternative financial instruments is gradually increasing[9]. At the same time, practical analysis shows that the increase in financial sources does not always automatically increase the economic efficiency of investment and construction projects.

Table 1. Structure of sources of financing for investment and construction projects (2021–2024)

Financial sources	2021	2022	2023	2024
Public investments, %	45,2	43,8	41,9	39,5
Private investments, %	28,6	30,1	31,8	33,4
Bank loans, %	15,4	16,0	16,7	17,2
Foreign investments and PPPs, %	10,8	10,1	9,6	9,9

The data presented in Table 1 indicate that structural shifts are taking place in the structure of sources of financing for investment and construction processes. In particular, during 2021–2024, the share of state investments decreased from 45.2 percent to 39.5 percent, which indicates a gradual abandonment of the absolute priority of the state in financing. This situation indicates the strengthening of market mechanisms in investment processes.

At the same time, the increase in the share of private investments from 28.6 percent to 33.4 percent indicates the increasing activity of the private sector in investment and construction processes. This trend is explained by the relatively improving investment climate and the expansion of profit opportunities in construction projects. The steady growth in the share of bank loans indicates the strengthening of the role of financial intermediary institutions in investment processes.

However, the relatively low share of foreign investment and PPP mechanisms means that the potential for attracting international capital in investment and construction processes has not yet been fully exploited. This situation scientifically justifies the need to further diversify financing sources.

Table 2. Effectiveness indicators of investment and construction projects by financial sources

Financial source	Average project duration (months)	Cost variance, %	Profitability ratio, %
Public investments	26	+14,8	8,5
Private investments	20	+8,6	14,2
Bank loans	22	+10,1	11,6
Private and foreign investments	24	+9,3	12,8

Analysis of Table 2 shows that the composition of financial sources directly affects not only the financing of projects, but also their terms, cost discipline and profitability. In projects financed by public investments, the average implementation period was 26 months, and the cost deviation was 14.8 percent. This indicates that management and control mechanisms in public projects are not sufficiently effective.

In projects based on private investments, a reduction in terms (20 months) and high profitability (14.2 percent) are observed. This indicates that private investors adhere to the principles of strict discipline and efficiency in the use of financial resources. In projects based on bank loans and PPPs, average indicators are recorded, which indicate a relatively balanced financial control mechanisms.

The results of this table confirm that the choice of financial sources is an important factor determining the economic results of investment and construction projects.

The factors reflected in Table 3 show that the efficiency of using financial resources in investment and construction processes directly depends not only on the volume of finance, but also on the quality of management and institutional mechanisms[10]. In particular, the stability of financing sources stands out as a factor with a high level of influence. This confirms that the continuity of financial flows in investment projects is crucial for preventing construction work from stopping, extending deadlines, and additional costs.

Table 3. Evaluation of factors affecting the efficiency of using financial resources in investment and construction processes

Factors	Direction of influence	Impact Level	Explanation (scientific basis)
Stability of financing sources	Positive	High	Continuous financing reduces project duration and cost variance
Quality of financial planning	Positive	High	A clear cash flow plan increases investment efficiency
Cost of credit resources (interest rates)	Negative	Moderate	High interest rates increase project costs
Monitoring and financial control system	Positive	High	Continuous control ensures budget discipline

Level of financial risk management	Positive	Moderate	Preliminary risk assessment reduces unexpected losses
Diversification of financing sources	Positive	High	Reduces dependence on a single source

The quality of financial planning also has a high level of influence, which determines the economic efficiency of investment and construction projects from the initial stage. In practice, insufficient justification of financial plans leads to frequent revision of estimate values, inefficient use of financial resources[11]. Therefore, financial planning is one of the main economic mechanisms for managing investment and construction processes.

The high level of influence of the monitoring and financial control system indicates the importance of this mechanism in ensuring estimate discipline in investment and construction processes and limiting financial indiscipline[12]. In the absence of constant and systematic monitoring, there is a misdirection of financial resources, the occurrence of unplanned expenses, and a decrease in investment efficiency.

The cost of credit resources is assessed as a factor with a moderate negative impact. High interest rates increase the total cost of investment and construction projects and reduce their profitability. Therefore, attracting long-term and relatively inexpensive financial resources is an important condition for increasing financial efficiency.

The level of financial risk management also has a significant impact on efficiency. Failure to assess risks in advance or effectively manage them in construction processes leads to unexpected financial losses[13]. Diversification of financing sources is an important factor that reduces risks and strengthens financial stability in investment and construction processes.

Table 4 systematically reflects strategic and practical directions aimed at improving the efficiency of using financial sources in the management of investment and construction processes. The diversification of financing sources primarily serves to reduce financial risks and ensure the financial stability of investment projects. A high level of dependence on a single source makes investment and construction processes vulnerable to both external and internal financial fluctuations.

Table 4. Directions for increasing the efficiency of using financial resources in investment and construction processes and expected results

Areas for improvement	Implementation mechanism	Expected economic impact
Diversification of financing sources	Blending of public, private, bank and PPP sources	Reduced risks and increased financial stability
Expanding public-private partnerships (PPPs)	Long-term contracts and guarantees	Increased private capital inflow
Attracting long-term and	Preferential credit lines and subsidies	Reduced project costs

affordable loans		
Digitalization of financial monitoring	Digital reporting and online control systems	Transparent cost control
Strengthening budgeting and financial discipline	Standardized estimation and audit mechanisms	Reduced cost variance
Introducing risk insurance mechanisms	Construction risk insurance	Reduced financial losses

Expanding public-private partnership mechanisms, along with attracting financial resources, will increase management efficiency. Private sector participation will strengthen strict control over costs in investment and construction projects and introduce performance-oriented management principles. In this regard, PPP is considered an important institutional tool for increasing financial efficiency.

Digitizing financial monitoring and strengthening budget discipline will ensure transparency in investment and construction processes. Digital monitoring systems will allow for real-time control of financial flows and help to quickly identify cases of financial irregularities. As a result, cost deviations in investment projects will decrease and financial efficiency will increase[14].

Attracting long-term and cheap credit resources will reduce the financial burden of investment and construction projects. Reliance on short-term and high-interest loans is one of the main factors reducing the profitability of construction projects. Therefore, optimizing financing policy is an important task in managing investment and construction processes.

The introduction of risk insurance mechanisms will help minimize financial losses. Insurance of technical, financial and market risks arising during construction processes will increase the financial stability of investment projects and strengthen investor confidence[15].

This study scientifically substantiated that the composition of financial resources and the efficiency of their use in managing investment and construction processes directly affect economic results. The conducted analysis showed that the success of investment and construction projects depends more on the quality of the mechanisms for their formation, distribution and control than on the volume of financial resources.

According to the results of the study, although public investments still remain an important financial source, the share of private investments and bank loans is increasing. However, the potential for using foreign investments and public-private partnership mechanisms has not been fully exploited. This situation indicates the need to diversify sources in financing investment and construction processes.

4. Conclusion

The analysis of financial efficiency revealed that projects based on private investments and mixed financing have shorter terms, less cost variance and a higher level of profitability. In projects based on public investments, it was found that there is a need to strengthen financial control and budget discipline.

The study also revealed that the quality of financial planning, monitoring and control systems, financing stability, and risk management mechanisms are the main factors determining the efficiency of using financial resources in investment and construction processes. Comprehensive improvement of these factors will help increase the economic efficiency of investment projects. In general, improving financial resources and mechanisms for their use in managing investment and construction processes is of great importance for ensuring the country's sustainable economic development, modernizing infrastructure, and increasing investment activity.

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