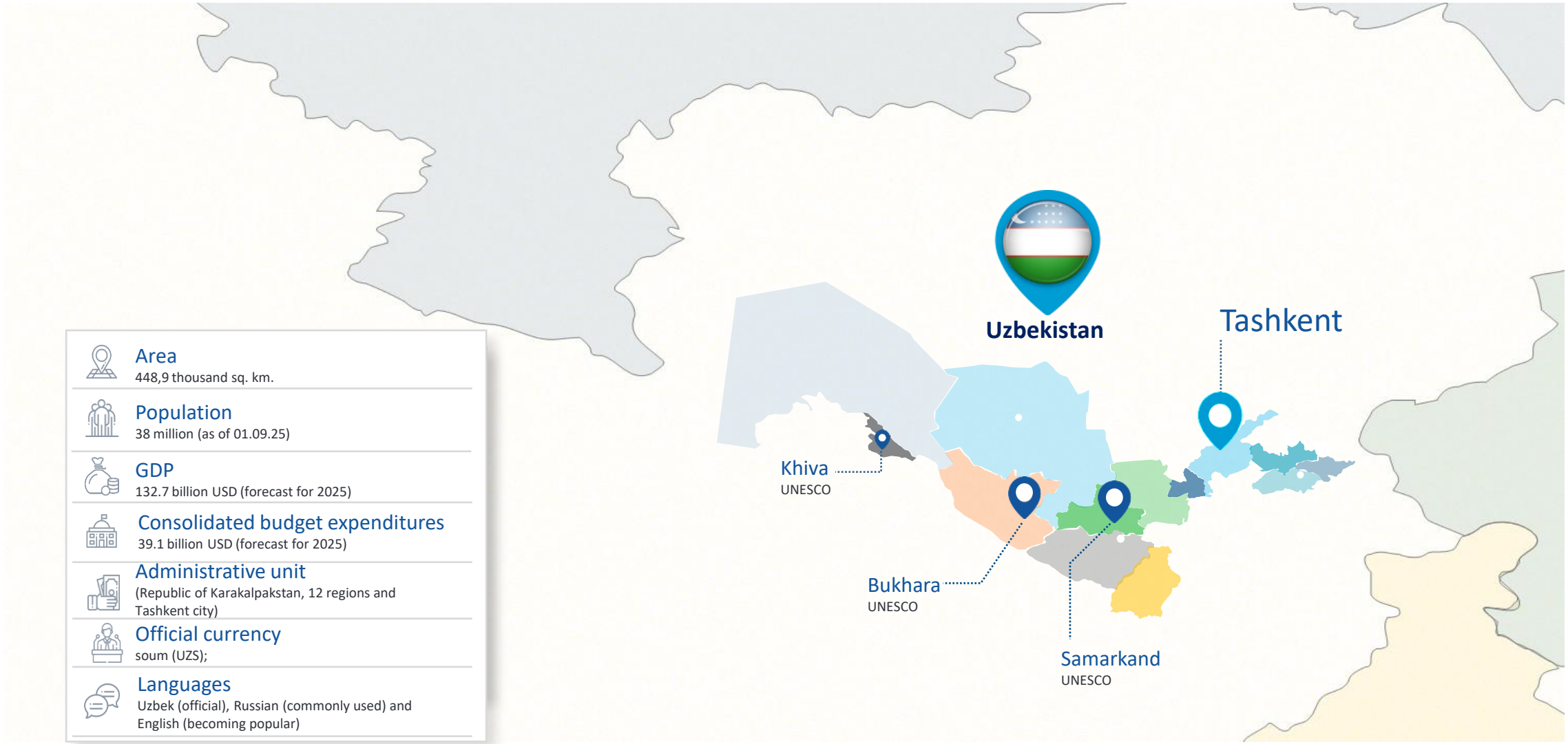
MINISTRY OF ECONOMY AND FINANCE OF THE
REPUBLIC OF UZBEKISTAN

PFM Reforms in the Republic of Uzbekistan

MINISTRY OF ECONOMY AND FINANCE OF THE REPUBLIC OF UZBEKISTAN

Brief information about Uzbekistan



Area
448,9 thousand sq. km.

Population
38 million (as of 01.09.25)

GDP
132.7 billion USD (forecast for 2025)

Consolidated budget expenditures
39.1 billion USD (forecast for 2025)

Administrative unit
(Republic of Karakalpakstan, 12 regions and Tashkent city)

Official currency
soum (UZS);

Languages
Uzbek (official), Russian (commonly used) and English (becoming popular)

MINISTRY OF ECONOMY AND FINANCE OF THE
REPUBLIC OF UZBEKISTAN

Plan of the presentation

- **Budget preparation**
- **Accounting and Internal audit**
- **Budget transparency, Reporting and Participatory Budgeting**
- **SDG and Green Expenditure Tagging**
- **PFM Strategy 2025-2030**

Budget preparation

Budget formation

2019 The budget formation process has been transitioned to a **medium-term** (3 year) planning mechanism.

2020 The **Law on the State Budget** has been developed.

2021 The budget process has begun to be implemented in **two stages**.

April - May

The **Fiscal Strategy Paper** has been developed

June - December

The **Budget Message** has been developed on the basis of the Fiscal Strategy Paper.

Fiscal rules

2021 Fiscal rules had been introduced:

- **public debt – to GDP** ratio
- **consolidated budget deficit – to GDP** ratio.

Additional rules

2021 An annual borrowing ceiling has been established on **external borrowing**.

2025 Ceiling for the **total value** of all new projects signed under **PPP** principles has been established.

Future priorities

- **Strengthening** the legal foundations of **fiscal rules**
- Developing **regulations** for the preparation of the **consolidated budget balance**
- Enhancing the **budget calendar**

MINISTRY OF ECONOMY AND FINANCE OF THE REPUBLIC OF UZBEKISTAN

Performance-Based Budgeting System in the Republic of Uzbekistan

in 2021

As a pilot, **performance indicators** for the budget expenditures of 4 **ministries and agencies** have been approved.

in 2022-2023

In line with the **Uzbekistan–2030 Strategy**, the **Performance-Based Budgeting system has been introduced**

Target indicators for 37 **ministries and agencies** have been **approved.**

in 2024

The Program-Based Budgeting System Regulation was approved (Resolution No. 4, dated January 4, 2024)

As a pilot, the 2025 **budgets** of the **Ministry of Economy and Finance** and **the Ministry of Agriculture** were formulated based on **budget programs**.

in 2025-2026

In 2025–2026, the full budget expenditures of 8 **ministries and agencies** will be **approved in the context of budget programs.**

in 2026-2030

By 2030, the Performance-Based Budgeting system will be **fully implemented**;

A methodology for studying and evaluating the efficiency and effectiveness of expenditures on the basis of program-based budgeting will be **developed**.

The practice of gradually forming **local budget expenditures** broken down by **budget programs will be introduced**.

Result

The efficiency and effectiveness of budget expenditures will be **enhanced,** and mechanisms will be created to assess the results achieved through budgetary funds.

Implementation of IPSAS

Until today, **17 budget accounting standards** have been developed based on the IPSAS framework and registered in the Ministry of Justice.

An order on approving of the Budget Accounting Standard of the Republic of Uzbekistan (No. 18) “Events after the Reporting Date” **based on IPSAS 14** was developed and submitted to the Ministry of Justice for registration.

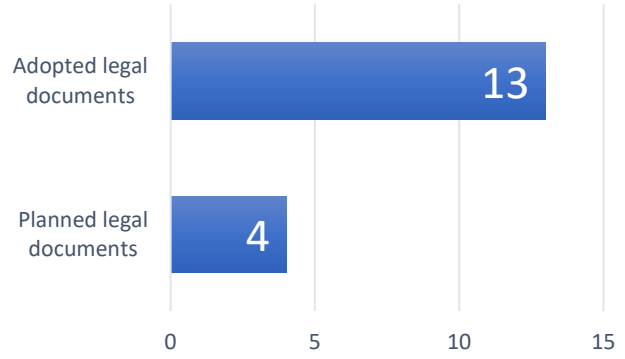
There are 40 International Public Sector Accounting Standards (IPSAS). The remaining standards are set to be developed between 2025 and 2030”.

PEFA ASSESMENT (INTERNAL AUDIT PILLAR) **D+ (2018)**

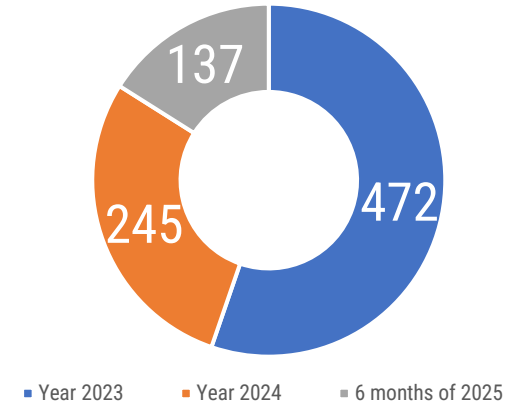
PEFA ASSESMENT (INTERNAL AUDIT PILLAR) **B+ (2024)**

Development internal control and internal audit system in 2018-2024

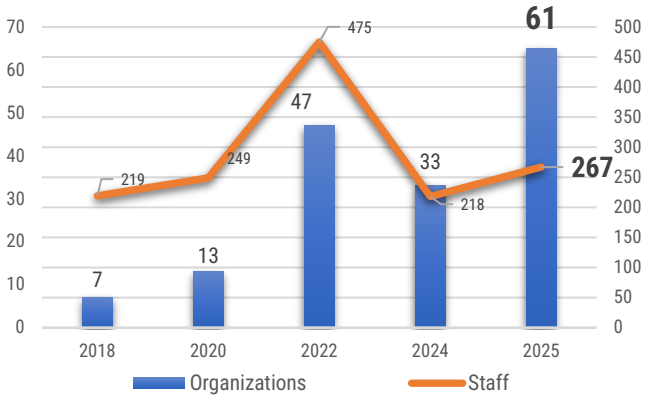
Legislative basis of internal audit



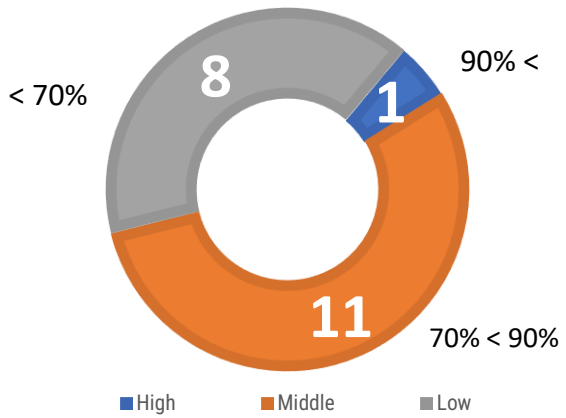
Certified persons (4 years)



Organization of internal units



Assessment of Internal audit units



MAIN REFORMS

1. **LEGISLATIVE FOUNDATIONS FOR INTERNAL AUDIT AND INTERNAL CONTROL** HAVE BEEN ADOPTED
2. **INTERNAL AUDIT ACTIVITIES BASED ON RISK ANALYSIS** HAVE BEEN LAUNCHED
3. **A SYSTEM OF CERTIFICATION AND TRAINING OF INTERNAL AUDITORS** HAS BEEN ESTABLISHED
4. **EXTERNAL ASSESSMENT OF INTERNAL AUDIT UNITS** HAS BEEN ESTABLISHED
5. **A RISK MANAGEMENT SYSTEM** HAS BEEN IMPLEMENTED

FUTURE PLANS

1. IMPLEMENTING EFFECTIVE **INTERNAL CONTROL BASED ON RISK MANAGEMENT**
2. DEVELOPMENT OF THE **DRAFT LAW "ON STATE INTERNAL CONTROL AND INTERNAL AUDIT"**
3. **DIGITALIZATION OF THE RISK MANAGEMENT AND INTERNAL AUDIT** SYSTEM
4. IMPLEMENTING NEW TYPES OF AUDITS SUCH AS **EFFICIENCY, SUSTAINABILITY AND IT AUDIT**
5. CONTINUOUS **IMPROVEMENT OF PROFESSIONAL COMPETENCE AND ENHANCEMENT OF THE CERTIFICATION SYSTEM**

MINISTRY OF ECONOMY AND FINANCE OF THE REPUBLIC OF UZBEKISTAN

Implementation of **Government Finance Statistics** in the Republic of Uzbekistan

2018-2019

Establishment of Division and first Technical Assistant mission was conducted by IMF.

2019-2024

«Budget classification» was developed based on the **IMF GFSM 2014**.

Subscription to E-GDDS platform by Uzbekistan agencies and quarterly report submission was resumed.

Sectorization of Non-financial public corporations exercises was conducted with the assistance of IMF.

2025

Technical instrument was created with an international consultant to ensure alignment of national reports with GFSM 2014 and national reports backward to 2020 was revised.

2025-2026

Introduction of a Public Sector Institutional Units Classifier by sector of the economy into the calculation of statistical Indicators.

2026-2030

Subscribe to the IMF's Special Data Dissemination Standard **(SDDS)**.

Compilation of a balance sheet covering all financial assets and liabilities of the public sector.

Expand the fiscal sector by completing the non-market SOEs exercise and include into national and GFS reports

Outcome

Increase fiscal transparency, efficiency and credibility of the fiscal indicators and comparability across regions.

Amendments and additions to the Budget Code (reporting)

Current situation	In the proposed version of project of the law
1. Submission of reports to Parliament	
Every quarter of the year, **the Cabinet of Ministers submits** a report on the implementation of **the State budget** to the Legislative Chamber and is approved at the plenary session of the Legislative Chamber.	**The Cabinet of Ministers submits annual reports on the execution of the consolidated budget** of the Republic of Uzbekistan, as well as **quarterly reports on the execution of the state budget and the budgets of state targeted funds**, to the Legislative Chamber. **Assessment** of the Chamber of Accounts is also presented on the annual report on the execution of the consolidated budget, as well as an **quick assessments** on the quarterly reports.
2. Increasing number of report types	
Report on execution of State budget includes the following forms of report: balance of execution of State budget; report on execution of State budget revenues; report on execution of State budget expenditures; certificate of receivables and payables of budget organizations; report on implementation of plans on networks, staffs and workforce of budget organizations financed from State budget.	**The annual report on the execution of the State budget** includes the following report forms: balance of execution of State budget; report on execution of State budget revenues; report on execution of State budget expenditures; **report on the implementation of extra-budgetary funds of budgetary organizations**; certificate of receivables and payables of budget organizations; report on implementation of plans on networks, staffs and workforce of budget organizations financed from State budget; r**eport on State debt.**
Additional types of reports	The quarterly report on the execution of the State Budget of the Republic of Uzbekistan includes the following reporting forms: **report on the execution of revenues of the State Budget;** **report on the execution of expenditures of the State Budget;** **report on the execution of extra-budgetary funds of budgetary organizations;** **report on the movement of foreign currency funds of budgetary organizations receiving funds from the Republican Budget.**

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Regulatory and legal documents adopted during 2021-2025 to support and further improve the "Participatory Budgeting" in Uzbekistan

OpenBudget
O'zbekiston Respublikasi "Ochiq Budget" Portali

50,4 million dollar allocated in 2021

237,5 million dollar allocated in 2022

381,3 million dollar allocated in 2023

500,3 million dollar allocated in 2024

Regulatory and legal documents

1. **Presidential Decree No. PQ-5072** *(2021 year, 13 Aprel)*
2. **Decree** of the Oliy Majlis **Senate No. KQ-213-IV** *(2021 year, 22 Aprel)*
3. **Presidential Decree No. PQ-5250** *(2021 year, 22 September)*

Regulatory and legal documents

4. Decree of the Cabinet of Ministers **No. 49** *(2022 year, 2 February)*
5. Decree of the Cabinet of Ministers **No. 197** *(2022 year, 7 Aprel)*
6. **Presidential Decree No. PQ-409** *(2022 йил, 10 October)*
7. **Presidential Decree No. PQ-425** *(2022 year, 17 November)*

Regulatory and legal documents

8. **Presidential Decree No. PQ-117** *(2023 year, 10 Aprel)*
9. **Presidential Decree No. PQ-330** *(2023 year, 10 October)*

Regulatory and legal documents

10. **Decree** of the Oliy Majlis **Senate No. KQ-666-IV** *(2024 year, 30 January)*
11. **Decree** of the Oliy Majlis **Senate No. KQ-787-IV** *(2024 year, 29 July)*

"My Garden" project

"My Kindergarten" project

"My school" project

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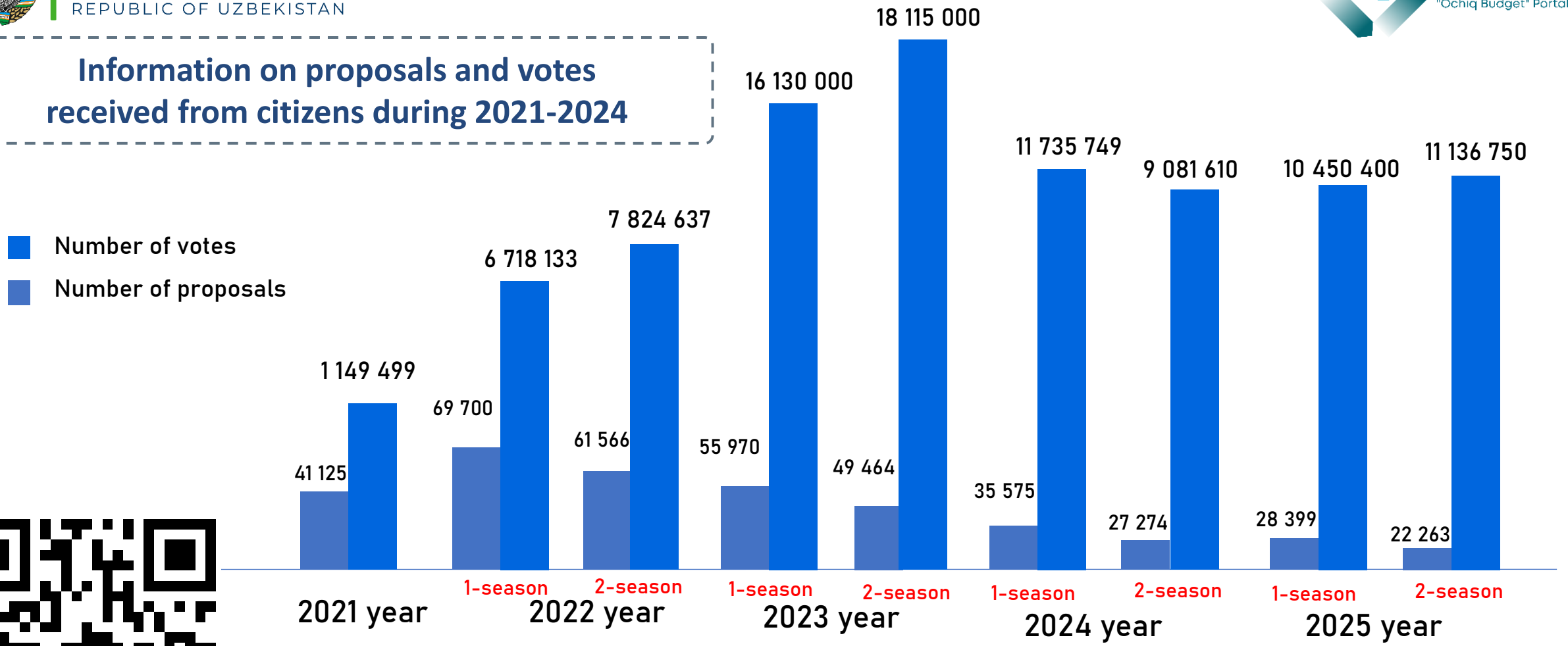
OpenBudget
O'zbekiston Respublikasi "Ochiq Budget" Portali

Information on proposals and votes received from citizens during 2021-2024



Mobile messages

Telegram-bot and mobile messages

Telegram-bot and mobile messages through the system "1 citizen - 1 voice"

For more information
https://openbudget.uz/home

State budget expenditures for the implementation of national sustainable development goals (SDG)

National Sustainable Development Goals	2026	
	billion soums	Share in expenditures, in percent
Total	296 674,5	72,6
1 KAM TA'MINLANGANLIK DARAJASINI QISQARTIRISH	41 201,8	10,1
2 OZIQ-OVQAT XAVFSIZLIGI VA OVQATLANISH	2 318,2	0,6
3 SOG'LIK VA FAROVONLIK	44 854,0	11,0
4 SIFATLI TA'LIM	92 151,4	22,5
5 GENDER TENGLIK	591,2	0,1
6 TOZA SUV VA SANITARIYA	12 593,3	3,1
7 BARQAROR VA ISHONCHLI ENERGIYA	66,60	0,02
8 MUNOSIB MEHNAT VA IQTISODIY O'SISH	3 178,0	0,8

National Sustainable Development Goals	2026	
	billion soums	Share in expenditures, in percent
Total	296 674,5	72,6
9 INDUSTRIALIZATSIYA, INNOVATSIYALAR VA INFRATUZILMA	28 992,2	7,1
10 TENGSIZLIKNI QISQARTIRISH	200,00	0,05
11 BARQAROR SHAHARLAR VA AHOLI PUNKTLARI	29 707,2	7,3
12 MA'SULIYATLI ISTE'MOL QILISH VA ISHLAB CHIQARISH	53,56	0,01
13 IQLIM O'ZGARISHIGA QARSHI KURASH	723,4	0,2
15 QURUQLIQDAGI EKOTIZIMLARINI ASRASH	1 361,8	0,3
16 TINCHLIK, ADOLAT VA SAMARADOR INSTITUTLAR	7 879,8	1,9
17 BARQAROR TARAQQIYOT YO'LIDAGI HAMKORLIK	30 802,0	7,5

Due to the absence of direct access to marine areas, **Goal 14** — **Conserve and sustainably use the oceans, seas and marine resources** — has not been classified for Uzbekistan.

Classification of expenditures based on the principles of "green" budgeting

Classification of expenditures based on the principles of “Green" budgeting

Covers expenditures of the state budget

It is carried out according to the **functional classification ofexpenditures**

Uses a goals - based approach: expenditures are determined by their relevance to the activity aimed at achieving green outcomes

It is implemented by the Ministry of Economy and Finance

The budget line is **allocated based on whether it is environmentally significant or not.**

It is based on 2 criteria:
- **by group of expenditures:** mitigation of climate change, adaptation to climate change and environmental protection;
- **by importance:** positive, negative, mixed and neutral

Actions have been taken

1

The report on “Climate Public Expenditure and Institutional Review: Uzbekistan” (CPEIR) was prepared in collaboration with AFD and UNDP.

2

The first-ever report on Climate Public Expenditure and Institutional Review (analytical report) and the Climate Change Budget Integration Index (CCBII) assessment in Uzbekistan assessed the level of integration of climate change into the public finance management system.

3

The methodology "Green Tagging of State Budget Expenditures in Uzbekistan" was developed.

Classification of expenditures based on the principles of "green" budgeting

Grouping of expenditures in the classification which is based on the principles of "green" budgeting

"A" CATEGORY

expenditures that have a **positive impact** on at least one environmental objective and have no negative impact

"B" CATEGORY

expenditures that have a combination of **positive and negative** impacts on environmental objectives

"C" CATEGORY

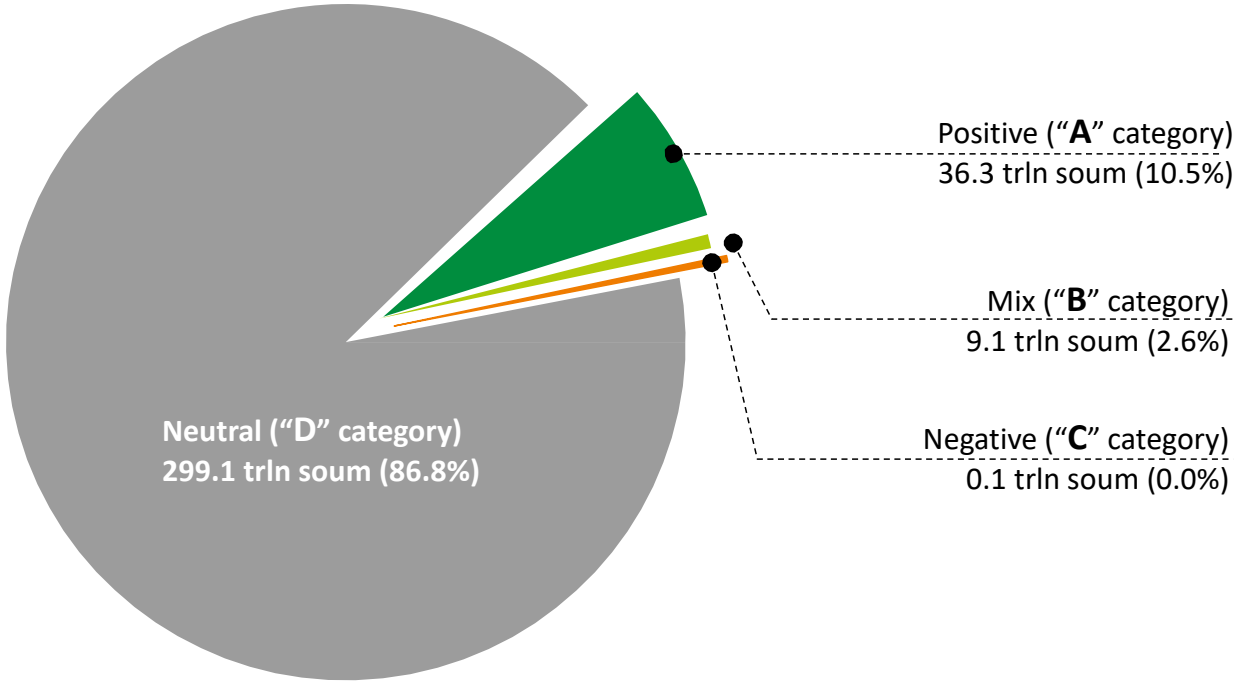
expenditures that have a **negative impact** on at least one environmental objective and have no positive impact

"D" CATEGORY

expenditures that have a **neutral impact** on all environmental objectives

Results of classification

Parameter of budget expenditures for 2025 – 344.5 trln soum



Classification of expenditures falling into category "A"

Overall expenditures for "A" category in 2025	Climate Change Mitigation	Climate Change Adaptation	Mix	Other environmental
36.3	7.50	7.14	21.63	0.01
In percentage (%)	20,67	19,68	59,61	0,04

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Overview of the scores of the PEFA indicators

Performance Indicator		Scoring Method	Dimensions 1	2	3	4	Overall Score 2024	Overall Score 2018	Increased scores
I. Budget Reliability									
PI-1	**1. Aggregate expenditure outturn**		A				**A**	A	
PI-2	**2. Expenditure composition outturn**	M1	A	A	A		**A**	B+	✓
PI-3	**3. Revenue outturn**	M2	B	B			**B**	B+	
II. Transparency of Public Finances									
PI-4	**4. Budget classification**		B				**B**	B	
PI-5	**5. Budget documentation**		B				**B**	B	
PI-6	**6. Government operations outside financial reports**	M2	A	A	A		**A**	C	✓
PI-7	**7. Transfers to subnational governments**	M2	D	B			**C**	D	✓
PI-8	**8. Performance information for service delivery**	M2	D	D	A	C	**C**	D+	✓
PI-9	**9. Public access to fiscal information**		B				**B**	C	✓

Note: link for the full report: https://www.pefa.org/country/uzbekistan

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Designed to 2025-2030 Strategy 5 priorities:

Strengthening mechanisms to support fiscal discipline;

Improving strategic prioritization and medium-term budget planning;

Increasing the effectiveness and efficiency of state expenditures and investments;

Ensuring effective implementation of the budget;

Further increase the quality and accountability of fiscal information.

MINISTRY OF ECONOMY AND FINANCE OF THE REPUBLIC OF UZBEKISTAN

ACTION PLAN of the PFM Reform Strategy for 2025-2030

5 priorities

Goals

1	2	3	4	5
Strengthening mechanisms for supporting budget discipline;	**Improving strategic prioritization and medium-term budget planning;**	**Increasing the effectiveness and efficiency of state expenditures and investments;**	**Ensuring effective implementation of the budget;**	**Further increase the quality and accountability of fiscal information.**
1. Macroeconomic models and tools for forecasting and analysis are enhanced	5. Further improvement of medium-term budget preparation	7. Effective implementation of result-oriented budgeting system to improve budget effectiveness	9. Improving the quality of tax and customs administration	14. Harmonization of fiscal reports with international standards
2. Improving the assessment, monitoring, management and reporting of fiscal risks	6. Improving the process of forming the annual budget and the procedures for its preparation	8. Strengthen institutions and procedures for improving the efficiency of public investments	10. Effective management of the funds of the single treasury account	15. Improving the content and quality of budget documents
3. **Effective management of public debt**			11. Digitization of public finance management processes	16. Strengthening the system of parliamentary control of the budget
4. Improving budget stability and management, as well as fiscal regulations			12. Strengthen internal audit and internal control	
			13. Transparent and effective public procurement	

45 activities

THANK YOU FOR YOUR ATTENTION!!!