



O'zbekiston Respublikasi  
Moliya vazirligi



# Enhancing Budget Transparency in the Republic of Uzbekistan

# Approved regulations to enhance budget data transparency

- ✓ Resolution of the President of the Republic of Uzbekistan [“On measures to ensure budget transparency and active citizens’ participation the budget process”](#) (№ III-3917 dated August 22, 2018)
- ✓ [Law of the Republic of Uzbekistan “On the State Budget of the Republic of Uzbekistan for 2020”](#)
- ✓ Article 166<sup>1</sup> of the Budget Code of the Republic of Uzbekistan
- ✓ Resolution of the President of the Republic of Uzbekistan [“On additional measures to ensure budget transparency and active citizens’ participation the budget process”](#) (№ III-5072 dated April 13, 2021)
- ✓ [Decree of the President of the Republic of Uzbekistan “On additional measures to ensure transparency in the activity of government bodies and organizations as well as efficient citizens’ oversight”](#) (№ VII-6247 dated June 16, 2021)
- ✓ Resolution of the President of the Republic of Uzbekistan “On measures to further expand the financing of activities informed by public opinion via the Open Budget web portal” (N III-5250 dated September 22, 2021)



2018

## Implemented measures to enhance fiscal transparency:



For the first time a **medium-term budget** for 2019 and budget targets for 2020-2021 were developed and approved;



The **Ministry of Finance** established a new **Unit** on government financial statistics and **budget transparency**;

The **«Openbudget.uz»** budget information portal was launched.



The **Budget Message** reviewed and presented **macroeconomic fiscal risks**;



Development and publication of the **Citizens' Budget** from 2018;

2018



In June 2018, an assessment of fiscal transparency based on the IMF Fiscal Transparency Code was performed.

The assessment concluded that **Uzbekistan met basic or higher standard for 16 out of 36 principles** which emphasized the need to focus on this topic.

УРОВЕНЬ ПРАКТИКИ	ОЦЕНКА			
	Не соответствует	Базовая	Хорошая	Продвинутая
СТЕПЕНЬ ВАЖНОСТИ	ОЦЕНКА			
	Высокая	Средняя	Низкая	

I. Бюджетная отчетность	II. Бюджетное прогнозирование и составление бюджета	III. Анализ и управление бюджетными рисками
Охват организаций	Единство бюджета	Макроэкономические риски
Охват совокупного объема долга	Макроэкономические прогнозы	Конкретные бюджетные риски
Охват потоков	Основа среднесрочного бюджетного планирования	Долгосрочная бюджетно-налоговая устойчивость
Охват налоговых расходов	Инвестиционные проекты	Чрезвычайные бюджетные расходы
Периодичность промежуточной отчетности	Бюджетно-налоговое законодательство	Управление активами и обязательствами
Своевременность годовой отчетности	Своевременность бюджетной документации	Гарантии
Классификация	Цели бюджетно-налоговой политики	Государственно-частные партнерства
Внутренняя согласованность	Информация о показателях деятельности	Финансовый сектор
Пересмотр данных за прошлые периоды	Участие общественности	Природные ресурсы
Статистическая целостность	Независимая оценка	Экологические риски
Внешний аудит	Дополнительный бюджет	Субнациональные органы управления
Сопоставимость бюджетно-налоговых данных	Согласование прогнозов	Государственные корпорации



2019

Implemented measures (Resolution of the President of the republic of Uzbekistan “On measures to ensure budget transparency and active citizens’ participation the budget process”):

Starting from 2019, participatory budgeting (PB) introduced – allocating a portion of local budgets to finance activities informed by public opinion.

Draft State Budget and SEF budgets, key guidelines of tax and fiscal policy as well as **reports on the State Budget and SEF budgets execution** shall be subject to public discussion prior to submission to the Oliy Majlis (Parliament) Legislative Chamber.



Starting from 2020, the State Budget and budgets of SEFs are approved by law.

Measures to expand dissemination of budget data as well to actively engage citizens in the budget process, ensure an open dialog with citizens (publication of budget data on the MoF official website and Telegram channel, delivery of thematic workshops and discussions, participation of MoF representatives in TV and radio broadcasts, publications in the media).







In **March 2019** there was an update of **fiscal transparency assessment** by IMF mission.

Measures to enhance budget transparency helped **improve** fiscal transparency performance **indicators** for **principles** of the IMF Code **vs. assessment performed in 2018**. Thus, as of **March 2019, Uzbekistan complied with 23 out of 26 principles of the IMF Code**.

Июнь 2018 г.	Изменения в практике реализации	Март 2019 г.
<b>Статистическая</b>	В Министерстве финансов создан	<b>Хороший</b>
<b>Среднесрочная основа бюджета</b>	Прогнозы по ключевым фискальным агрегированным показателям на трехлетний период были включены в бюджет 2019 года.	<b>Базовый</b>
<b>Цели налогово-бюджетной политики</b>	В бюджет 2019 года включено заявление о налогово-бюджетной стратегии и количественные цели налогово-бюджетной политики по государственному долгу и консолидированному дефициту государственного бюджета и государственных целевых фондов.	<b>Хороший</b>
<b>Информация о результатах</b>	В бюджет 2019 года включена информация об исходных ресурсах по ключевым направлениям политики, а также об ожидаемых результатах по некоторым направлениям политики.	<b>Базовый</b>
<b>Участие общественности</b>	Вместе с бюджетом на 2019 год был опубликован бюджет для граждан, в котором представлены краткий обзор перспектив экономики и налогово-бюджетной сферы, а также описание влияния налогово-бюджетной политики на жизнь граждан.	<b>Базовый</b>
<b>Макроэкономические риски</b>	В бюджет 2019 года включен анализ чувствительности фискальных прогнозов к ключевым макроэкономическим допущениям.	<b>Базовый</b>
<b>Конкретные фискальные риски</b>	Заявление о конкретных фискальных рисках было включено в бюджет 2019 года.	<b>Базовый</b>
<b>Финансовый сектор</b>	В бюджете 2019 года раскрыты возможные прямые риски финансового сектора, связанные с системой страхования депозитов.	<b>Базовый</b>

2020



The Law “On the State Budget of the Republic of Uzbekistan for 2020” included a section on ensuring transparency in the implementation of the consolidated budget.

Ministries, agencies, State Earmarked Funds quarterly report on:

- ✓ **allocation of budget resources** broken down by subordinate budget organization;
- ✓ financial reporting;
- ✓ projects implemented with the use of **CAPEX**;
- ✓ competitive biddings (tenders) performed and **public procurements** made.



Local government bodies must publish a List of goods and services procured, construction, rehabilitation and repairs sites financed by additional revenue sources of local budgets, as well as information on financing of construction and repair works.



The State Tax Committee and the State Customs Committee after each quarter publish a list of tax and customs privileges as well as information on the amounts of such privileges broken down by taxpayer..

# 2021

## Participatory Budgeting (PB) mechanism expanded

! Resolution of the President of the Republic of Uzbekistan “On additional measures to ensure budget transparency and active citizens’ participation the budget process” (№ III-5072 dated April 13, 2021)

- ☑ **Launch of an upgraded version of the Open Budget** web portal with enhanced functionality, including:
- **adaptation** of the portal to the process of suggesting and selecting activities informed by public opinion that are proposed for financing with district (city) budgets;
  - a broader **citizens’ engagement** in BP and public voting;
  - measures to improve user experience when using the portal on **all devices** (mobile phone, tablet, laptop);

Starting from May 1, 2021, the following financial data are made public in the media and the Web:

- ✓ revenues and expenditures of **extra-budgetary funds** that belong to government bodies;
- ✓ **procurements** by legal entities with the state interest in the charter fund (charter capital) of 50% and more and by legal entities that own 50% and more of their charter fund (charter capital);
- ✓ **state subsidies and grants** amounts and recipients.

Provision on Publishing Information on Official Websites to Ensure Transparency of the Budget Process approved

**Procedure, format, schedule** of publishing information on official websites of ministries and agencies established.

! Registered by the Ministry of Justice of the Republic of Uzbekistan on May 7, 2021  
■ Registration # № 3299



## Improving mechanisms to channel budget resources to activities informed by public opinion

### - Introduction of the following stages in implementing citizens' initiatives:

1. submission of proposals/projects by proactive citizens in order to improve district (city) infrastructure;
2. selection of proposals against established criteria;
3. putting pre-selected proposals/projects to citizens' vote;
4. identification of winning proposals/projects based on public voting outcomes;
5. citizens' supervision and monitoring of citizens' initiatives implementation.

- Develop **criteria for evaluation and selection of proposals/projects** submitted by proactive citizens in order to improve district (city) infrastructure



## A broad communication campaign



### District (city) khokimyats:

Local governments start the admission process (proposals/projects) and inform citizens (via local communities, media, TV and other channels) on :



- launching the admission of proposals/projects re. district (city) infrastructure improvement;



- submission deadline;



- submission procedure;



- selection criteria.

### Ministry of Finance, Ministry for Support of Local Communities and Families, Agency on Youth Affairs, local governments



deliver capacity-building events for citizens, representatives of local communities (makhallya) to explain the selection procedure and criteria.



Community groups and individual project sponsors develop proposals (projects) to address the most pressing issues in their makhallyas (local communities), districts, cities, and submit them **via the Open Budget platform** or off-line (in case no Internet connection is available).



## The Selection Committee

- ☒ 1) Selection of proposals (projects) developed and submitted by community groups and individual sponsors against established criteria;
- ☒ 2) Internal services of khokimiat check for feasibility and compliance with criteria;
- ☒ 3) For rejected proposals/projects respective notifications stating the reasons for rejection are sent (to emails indicated by sponsors).

# Public voting



## District (city) khokimiats

Pre-selected proposals (projects) are put to citizens' vote on the Open Budget web portal



The Selection Committee takes the results of the vote and announces a **List of Winning Projects**



## District (city) khokimiats, Commission



! Draft a decision on **allocating funds** to support winning projects determined by the public voting within one week from the date of the voting completion.



## Councils (Kengash) of People's Deputies



**Approve the decision to allocate funds** to support implementation of winning projects determined by the public voting





## District (city) khokimats:



Project implementation  
(running tenders, hiring  
contractors etc.)



Advising on project  
implementation progress  
via the media and  
publishing the outcomes  
report on the «**Open  
Budget**» web portal



Submitting to People's  
Deputies Councils (Kegash) of  
districts and cities of a **Report  
on the use of funds** to finance  
activities informed by public  
opinion

# 2021

## Expanded financing of activities informed by public opinion



Resolution of the President of the Republic of Uzbekistan “On measures to further expand the financing of activities informed by public opinion via the Open Budget web portal”



additional 57.9 billion sums – to districts and cities where Civic Initiatives Funds accumulated less than 1 billion sums;



additional 59.5 billion sums – to districts and cities where more that 100 proposals were received via the Open Budget web portal..



Starting from January 1, 2022, 50% of funds allocated for **rehabilitation of local on-site roads** in district and city budgets are targeted to the repair of roads identified by the public via the Open Budget web portal.



A **Road Map** to further improve the participatory budgeting process approved.



“Flying Squads” and “**Initiators’ Corners**” are established in each mamlakatiya (local community) and aul (village) to assist in submitting proposals and voting via the Open Budget web portal.



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**Thank you!**

