



**MINISTRY OF ECONOMY AND  
FINANCE OF THE  
REPUBLIC OF UZBEKISTAN**



**OpenBudget**  
O'zbekiston Respublikasi  
"Ochiq Budget" Portali



## **Enhancing Budget Transparency and Participatory Budgeting in the Republic of Uzbekistan**

**Aynura Bakaybaeva**  
*Division Head in the State Budget Department,  
Ministry of Economy and Finance,  
Republic of Uzbekistan,  
Chair of PEMPAL BCOP*



# Regulatory and Legal Framework to Enhance Budget Openness

- ✓ Resolution of the President of the Republic of Uzbekistan "On Measures to Ensure Openness of Budget Data and Active Citizens' Participation in 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 Active Citizens' Participation in the Budget Process" № **III-5072** dated April 13, 2021)
- ✓ Decree of the President of the Republic of Uzbekistan "On Additional Measures to Ensure Openness of Government Bodies and Organizations as well as Effective Implementation of Public Scrutiny"(№ **VII-6247** dated June 16, 2021)
- ✓ Resolution of the President of the Republic of Uzbekistan "On Measures to Further Increase Financing of Public-Informed Activities Developed through the "Open Budget" Portal" (№ **III-5250** dated September 22, 2021)
- ✓ Resolution of the President of the Republic of Uzbekistan "On Measures to Further Improve Participatory Budgeting Practices and to Support Proactive Mahallas" (№**117** dated April 10, 2023)





**In June 2018 fiscal transparency was evaluated** based on the IMF’s Code of Good Practices on Fiscal Transparency.

The evaluation concluded that **Uzbekistan scored “basic” or “good” for 16 of 36 principles**, which revealed the need for targeted comprehensive efforts in this area.

I. Fiscal Reporting	II. Fiscal Forecasting and Budgeting	III. Fiscal Risk Analysis and Management
Coverage of Institutions	Budget Unity	Macroeconomic Risks
Coverage of Stocks	Macroeconomic Forecasts	Special Fiscal Risks
Coverage of Flows	Medium-term Budget Framework	Long-term Fiscal Sustainability
Coverage of Tax Expenditures	Investment Projects	Budgetary Contingencies
Frequency of In-Year Reporting	Fiscal Legislation	Asset and Liability Management
Timeliness of Annual Accounts	Timeliness of Budget Documentation	Guarantees
Classification	Fiscal Policy Objectives	Public-Private Partnerships
Internal Consistency	Performance Information	Financial Sector
Historical Revisions	Public Participation	Natural Resources
Statistical Integrity	Independent Evaluation	Environmental Risks
External Audit	Supplementary Budget	Subnational Governments
Comparability of Fiscal Data	Forecast Reconciliation	Public Corporations

	RATING			
LEVEL OF PRACTICE	Not met	Basic	Good	Advanced
LEVEL OF IMPORTANCE	RATING			
	High	Medium	Low	

2018

## MEASURES IMPLEMENTED TO ENHANCE FISCAL TRANSPARENCY:



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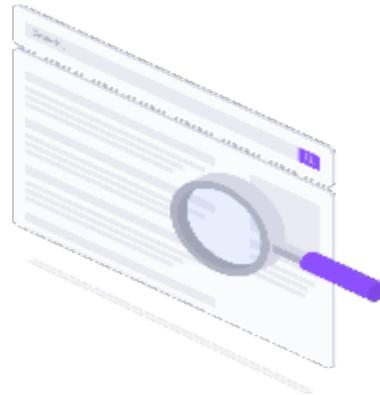


For the first time, a **medium-term budget** (for 2019 and budget targets for 2020-2021) was prepared and **approved**



A **new division** for public financial statistics and budget transparency was **established** in the **Ministry of Finance**

The **Openbudget.uz** open budget information portal was launched



**Macroeconomic fiscal risks** were analyzed and presented in the **Budget Message**



Since 2018 the **Citizens' Budget** is regularly produced and published

2019

## Resolution of the President of the Republic of Uzbekistan "On Measures to Ensure Openness of Budget Data and Active Citizens' Participation in the Budget Process":



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- since 2019, **participatory budgeting** has been introduced - a portion of local budgets is used to finance activities informed by citizens.



- Since 2020, the state budget and budgets of State Earmarked Funds (SEF) are approved by law;

- drafts of the State budget, SEF budgets, main areas of fiscal policy as well as reports on the execution of the state budget and SSPF budgets **must undergo public discussions prior to their submission** to Parliament (Oliy Majlis);



- measures have been taken to expand budget data dissemination channels, and **encourage proactive public participation in the budget process**, to ensure an open dialogue with the citizens

(placement of budget data on the official website and Telegram channel of the Ministry of Finance, delivery of thematic workshops and round tables, participation of representatives of the Ministry of Finance in TV and radio programs, publications in the media).



In **March 2019**, the IMF mission **updated its fiscal transparency evaluation.**

Measures to enhance budget openness helped to **improve** fiscal transparency indicators **for 8 principles** of the IMF Code vs. **June 2018** evaluation.

As of **March 2019**, **Uzbekistan was in compliance with 23 out of 36 IMF Code principles.**



June 2018	Changes in Implementation Practice	March 2019
<b>Statistics</b>	Established in the Ministry of Finance	<b>Good</b>
<b>Medium-term Budget Framework</b>	Forecasts for key aggregated fiscal indicators for three years included in the budget for 2019.	<b>Basic</b>
<b>Fiscal Policy Objectives</b>	The budget for 2019 includes a fiscal policy statement and quantitative fiscal policy targets re. public debt and consolidated deficit of the state budget and earmarked funds.	<b>Good</b>
<b>Performance Information</b>	The budget for 2019 includes input data for key policy areas, as well as expected outcomes for some policy areas.	<b>Basic</b>
<b>Public Participation</b>	A Citizens' Budget published along with the budget for 2019, with a brief overview of economic and fiscal prospects as well as a description of fiscal policy impact on citizens' lives.	<b>Basic</b>
<b>Macroeconomic Risks</b>	The budget for 2019 includes sensitivity analysis of fiscal forecasts to key macroeconomic assumptions.	<b>Basic</b>
<b>Specific Fiscal Risks</b>	A statement on specific fiscal risks included in the budget for 2019.	<b>Basic</b>
<b>Financial Sector</b>	The budget for 2019 describes possible direct financial sector risks related to the deposit insurance system.	<b>Basic</b>

2020



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The Law “On the State Budget of the Republic of Uzbekistan for 2020” included **a stand-alone chapter on ensuring transparency in executing the consolidated budget.**

Ministries, agencies, State Earmarked Funds every quarter disclose information on:

- ✓ **budget funds allocations** by subordinate budget organizations;
- ✓ financial statements;
- ✓ implementation of projects financed by **capital investments**;
- ✓ tenders performed and **public procurements** done.

**Local governments** are required to publish Lists of Procured Goods and Services; sites where construction, reconstruction and repair works are performed that are financed with additional local budgets’ sources of revenue, as well as information on the financing of construction and repair work.



**The Tax and Customs Committees** after each quarter publish lists of tax and customs preferences as well as information on the amounts of such preferences, by taxpayers.



2021

## EXPANDING PARTICIPATORY BUDGETING

Resolution of the President of the Republic of Uzbekistan “On Additional Measures to Ensure Active Citizens’ Participation in the Budget Process” № IIII-5072 dated April 13, 2021.



An **updated version** of the “**Open Budget**” portal with enhanced functionality **launched**, to ensure:

- **adaptation** of the portal to the introduction and selection of activities shaped by citizens’ suggestions that are put for financing by district (city) budgets;
- broader **citizens’ engagement** in participatory budgeting and public voting;
- measures to ensure convenient operation of the portal **on all devices** (mobile phone, tablet, laptop).



2021

Since May 1, 2021 the following financial information **is published** in the media and the Internet:

- ✓ revenues and expenditures of **extrabudgetary funds** that belong to government bodies;
- ✓ **procurements** by legal entities where the government stake in registered equity (registered capital) is 50 per cent and higher, and legal entities owing 50 per cent and more of registered equity (registered capital);
- ✓ amounts and recipients of public **subsidies and grants**.

The **Regulation on the procedure for posting information on official websites** in order to ensure the budgetary process openness approved.

The **procedure, formats and deadlines for posting information on the official websites** of ministries and agencies established.

Registered with the Ministry of Justice of the Republic of Uzbekistan on May 7, 2021, № 3299

The Administrative Code and the Budget Code include a provision whereby since April 1, 2021, organizations that violate the procedure and deadlines for posting information on official websites shall be subject to **fin**es of 1 to 2 **amounts of the base reference value**.

Compliance shall be monitored by the Chamber of Accounts.

## The Openbudget.uz budget information portal

An **updated version** of the **Open Budget** portal **launched** in 2021.



<https://openbudget.uz/home>

Every quarter information is published on procurements, contracts and expenditures of budget organizations broken down by region



Expenditure group	Estimate	Cash expenses of the organization
<b>Total</b>	<b>2 017 176 657,69</b>	<b>1 978 395 677,85</b>
Group I "Wages and Related Payments"	1 453 944 163	1 419 767 357
Wages and salaries	1 393 911 657	1 353 973 496
Salary in cash	1 393 911 657	1 353 973 496
Basic salary	1 336 788 220	1 296 993 483
Top-ups and supplements	57 123 437	56 980 013
Group II "Payroll charges"	348 477 915	335 356 368
Social contributions / withholdings	348 477 915	335 356 368
Actual social contributions/withholdings	348 477 915	335 356 368
Unified Social Contribution	348 477 915	335 356 368
Group IV-"Other Expenditures"	214 754 579,69	223 271 952,85
EXPENSES FOR GOODS AND SERVICES	185 246 887,93	65 981 952,85

**City Children's Complex No. 1**

№	Contract №	Individual account	Contract duration		Contract amount	Lot №	Organization	TIN
1	Дог. № 2213-20 от 04.01.2021	401421860262837073310054001	04.01.2021	31.12.2021	9 000 000	<u>2012547</u>	Republic Cash-in-Transit	201052396
2	Дог. № TS-260 от 04.01.2021	401421860262837073310054001	04.01.2021	31.12.2021	2 040 000	<u>2012581</u>	"IT-MED" MCHJ	305926021
3	Дог. № 2 от 05.01.2021	100021860262837073310054001	05.01.2021	31.12.2021	18 751 200	n.a.	City Children's Complex No. 1	203104448
4	Дог. № 1 от 05.01.2021	100021860262837073310054001	05.01.2021	31.12.2021	10 096 800	n.a.	City Children's Complex No. 1	203104448
5	Дог. № TS-6 от 05.01.2021	100021860262837073310054001	05.01.2021	31.12.2021	8 285 000	<u>1917335</u>	JV Ltd. SAMARKAND ENGLAND ECO MEDICAL	207154368
6	Дог. № TS-6 от 05.01.2021	100021860262837073310054001	05.01.2021	31.12.2021	8 285 000	<u>1917335</u>	JV Ltd. SAMARKAND ENGLAND ECO MEDICAL	207154368

2022

**Funding for public-informed activities has been increased:**

**5 % - from district (city) budgets in each region;  
30 % - from the total of additional sources and district (city) budgets**



Resolution of the President of the Republic of Uzbekistan "On Measures to Further Increase Financing of Public-Informed Activities Developed through the "Open Budget" Portal"



additional 57.9 billion UZS to districts and cities with less than 1 billion UZS formed in the Civil Initiatives Fund;



additional 59.5 billion UZS to districts and cities that received more than 100 proposals through the Open Budget information portal.



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"Flying Squads" and an "Advocates' Corner" have been set up in each makhalla and aul (village) to assist in submitting proposals and voting on the "Open Budget" information portal





## THE PROCEDURE FOR CHANNELING BUDGET RESOURCES TO SUPPORT IMPLEMENTATION OF ACTIVITIES IDENTIFIED WITH PUBLIC PARTICIPATION

### CITIZENS' INITIATIVES IMPLEMENTATION MILESTONES:

1. **submission** of proposals/projects by citizens to improve district (city) infrastructure – **20 days**;
2. **preselection** based on approved criteria – **20 days**;
3. putting preselected proposals/projects for public **voting** - **20 days**;
4. **identification of winning proposals/projects** based on public voting outcomes;
5. **public scrutiny** and monitoring of citizens' initiatives implementation



### Two rounds annually:

Round 1 – (February - March)

Round 2 – (July - August)

**Evaluation and Selection Criteria for proposals/projects** submitted by citizens' action groups to improve district (city) infrastructure were developed



## Khokimiyats (municipalities) in districts/cities:

local authorities initiate the launch of applications/proposals/projects submission and arrange informing citizens (through mahallas (municipalities), media, TV and other information sources) about :



- start of submission process for applications/proposals/projects to improve district/city infrastructure;



- deadline for submitting applications/proposals/projects;



- procedure for submitting applications/proposals/projects;



- criteria for selecting applications/proposals/projects

## The Ministry of Economy and Finance, Association of Makhallyas (municipalities)



organize workshops for citizens and mahalla (municipality) representatives to explain the procedure and criteria for selecting applications /proposals /projects



Citizens' action groups and individual proactive citizens develop proposals (projects) to address the most pressing issues in their makhalla, districts and cities, and submit them via the **Open Budget platform**.



## The Selection Committee



- ✓ 1) **selection** of proposals (projects) developed and submitted by citizens' action groups and individual proactive citizens against established criteria;
- ✓ 2) internal feasibility and compliance **check** by khokimiat staff;
- ✓ 3) for **failed** proposals and projects a **notification** with justification of refusal is issued (sent to the email address indicated by the project sponsor)



## STANDARD COMPOSITION OF SELECTION COMMITTEE:

1	1	TBA (to be agreed)	1	1	1	1
Chair of the district (city) Council of People's Deputies – <b>Committee Chair;</b>	Deputy Khokim (Mayor) of the district (city) for construction issues	Representative of the district (city) Council of People's Deputies (at least 2)	Head of district (city) department for poverty alleviation and employment	Head of district (city) department of economy and finance	Chief specialist of district (city) economy and finance division for mahallas and budget transparency (Working body)	representative of the justice department of the district (city)
		T.B.A.	T.B.A.	T.B.A.		
		Representative of the Ministry of Economy and Finance of the Republic of Karakalpakstan/Main Department of Economy and Finance of regions/City of Tashkent	Representative of the Public Council at the district (city) administration	Representative of not-for-profit NGOs		



\*If necessary, other specialists may be involved in the Selection Committee at the suggestion of khokims (mayors) of the district (city);

\*the number of Committee members shall be odd (at least 9 members).

# Public Voting



## Hokimyats (municipalities) of districts / cities

proposals (projects) selected after verification are put up for **voting** by citizens arranged on the "Open Budget" platform



The Selection Committee counts the votes and announces

**a list of winning projects**



# Participatory Budgeting Projects Implementation Timeline



## Project Implementation Timeline

Assign Client Organization



Indicate Design Organization



Contractor Identification and Financing



## Assign Client Organization

### Procuring Organization

**Heading:**  
"ANDIJON MINTAQAVIY YO'LLARGA BUYURTMACHI XIZMATI" DAVLAT UNITAR KORXONASI

**MIXING:**  
304517491

**Address:**  
Andijon viloyati, A.YO'LDOSHEV KO'CHASI 30-UY

**Leader:**  
MIRZAYEV TUXTASIN MAMASALIYEVICH |  
32510795130013

Accounts open to finance the project:

401722860032067045204084009

**Total allocation:**  
1,320,000,000 USZ

**Financed:**  
1,230,124,478 USZ

**Balance:**  
89,875,522 USZ

### Client Justification

**Document number and date**  
In progress

**Download:**  
In progress

## Indicate Design Organization

### Project Organization

**Heading:**  
"QASHQADARYOYO'LLOYIHA"  
MAS'ULIYATI  
CHEKLANGAN JAMIYATI

**MIXING:**  
203577414

**Legal Address:**  
Qashqadaryo viloyati, 5th KM KARSHI  
SCHAKHAR BESHKENT YIULI

**Leader:**  
XAMRAYEVADASH NAZAROVICH |  
31502552720149

**Identification mode:**  
TENDER

**Lot number:**  
23411006060571

**Date of purchase statement:**  
In progress

### Project Estimates

**Review of specifications and estimates**  
In progress

### Examination

**Design specifications and estimates**  
underwent state expert review

Download

### Design organization payments



Contracts



Payments



Invoice

## Contractor Identification and Financing

### Contractor

**Heading**  
SHAHRISABZ BUNYODKORI

**MIXING:**  
302318147

**Legal address:**  
Qashqadaryo viloyati, PASTQURG'ON  
QISHLOG'I

**Leader:**  
MURTAZAYEV XURSHID RUSTAMOVICH |  
30110372563016

**Identification mode:**  
TENDER

**Lot number:**23411006067410

**Date of purchase statement:**  
In progress

### Construction and repair documents

**Construction type:**  
Янги курилиш

**Frequency:**  
Янгидан бошланувчи

**Implementation period:**  
2023 - 2023

**General layout approved:**  
In progress

### Procuring organization payments



Contract

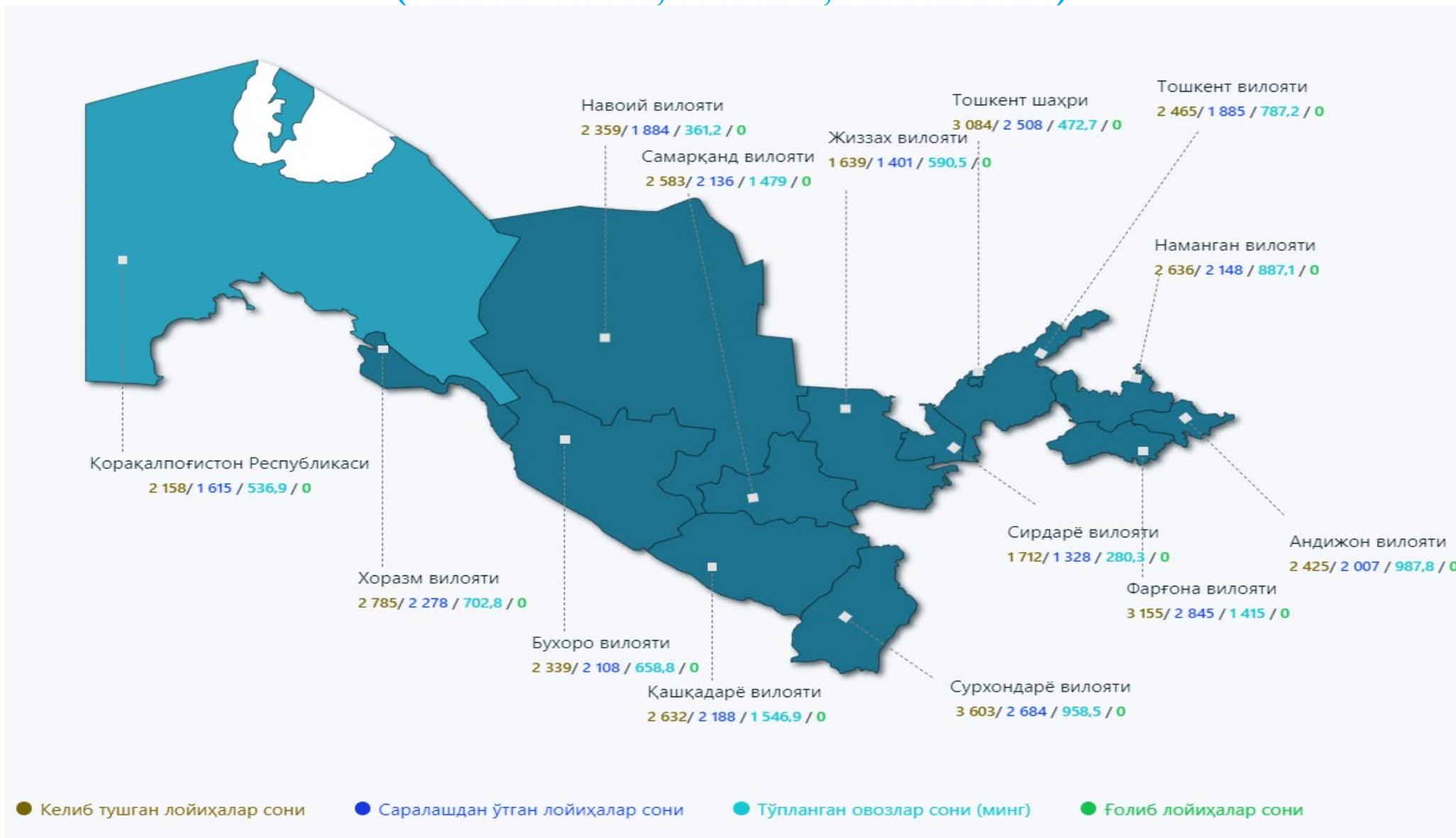


Payments



Invoice

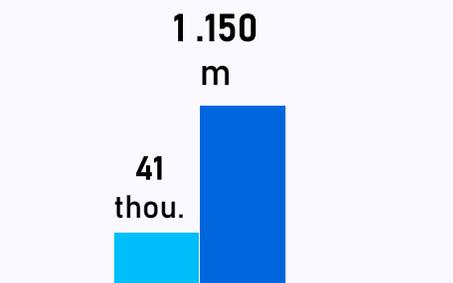
# The [Openbudget.uz](https://openbudget.uz) budget information portal (current status, season 1, March 2024)



# OVERALL OUTCOMES FOR 2021-2023



## 2021 Outcomes



## 2022 Outcomes



## 2023 Outcomes

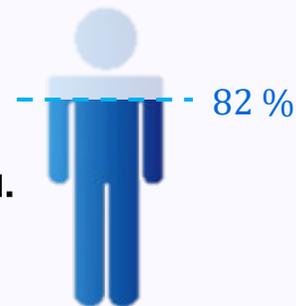


■ Votes  
■ Projects

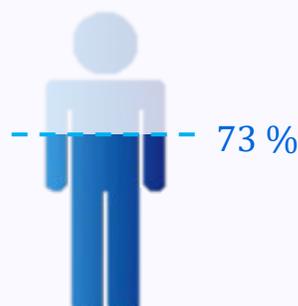
## Votes received by winning projects

Winning projects

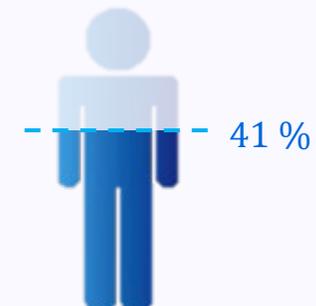
1,594



4,36



4,183



Votes received by winning projects

947 thou.

10,502 thou.

14,100 thou.

Share of total votes

82 %

73 %

41 %

## Participating citizens:



Men - **65%**  
Women - **35%**

18-30 y.o. - **28%**  
30-50 y.o. - **56%**  
50 and older - **16%**

# Public Scrutiny of Participatory Projects' Implementation



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The Open Budget portal offers a **public scrutiny** mechanism for participatory projects' implementation.

## Participatory budget, 2023, round 2

View Statistics

<b>Stage 1</b> <b>Registered</b> 7/17/2023 – 8/07/2023 20 days	<b>Stage 2</b> <b>Under Review</b> 8/07/2023 – 8/27/2023 20 days <a href="#">Moderation results</a>	<b>Stage 3</b> <b>Voting</b> 8/27/2023 – 9/16/2023 20 days	 <b>Winners</b>	 <b>Public Scrutiny</b> Red Yellow Green
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Projects/initiatives (556)

Budget allocated: 1,424,373,806,304 UZS

Янгиариқ тумани  
ID: 031267711012

Общественный контроль

Янгиариқ тумани Кўнғирот МФЙда жойлашган Кўнғирот кўчасининг 2 км йўлига асфал...

12 539 2023-07-24

Қамаши тумани  
ID: 03169471005

Общественный контроль

Қамаши туман Гулшан мфй Учтепа кишлоғини 3000 метир жойини асфалт кишиш .Болал...

12 408 2023-07-18

Богдоқ тумани  
ID: 03172622011

Общественный контроль

Матқулбод МФЙ ҳудудидаги ички кўчаларини 4000 метр қисмини асфальтлаштириш

12 404 2023-07-18

Богдоқ тумани  
ID: 031287197011

Общественный контроль

Бағдоқ тумани Чексарой МФЙнинг ички йўлларини асфальтлаштириш.

12 084 2023-08-02

Янгиариқ тумани  
ID: 03171243012

Общественный контроль

Yangiariq tumani Sherobod mahallasining "Mexrigiyo" ko'chasi (2.5 km.) hamda "Porlo...

12 070 2023-07-18

Ғаллаорол тумани  
ID: 031257615004

Общественный контроль

Ғаллаорол туман Ғўбдин ҚФЙ Хўжакабуд қишлоғида 3000 метр ички йўлларга асфалт...

12 050 2023-07-19

## Public Scrutiny

Ikromjon Soliev  
Sponsor

ALL MESSAGES FROM THE AUTHOR:

- Project beginning 0
- Urgent message 0
- Project evaluation 1**

Project quality

- "GREEN" ✓
- "YELLOW" ✓
- "RED" ✓

Author's comments

Ишлар тўлиқ яқунланган

16:55 15.01.2024

## Project status pictures



Happy



Satisfied



Unsatisfied

# PLANS TO EXPAND PARTICIPATORY BUDGETING PRACTICE IN THE REPUBLIC OF UZBEKISTAN



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Starting from 2024, at least 50 percent of the funds allocated annually from the state budget for the "Green Belt" project shall be used to finance "**My Garden**" projects to create "green gardens" and "green public parks" based on public opinion through the "Open Budget" portal.

(Decree of the President of the Republic of Uzbekistan  
№YII-199 dated November 23, 2023)



Starting from the 2024-2025 academic year, the "**My School**" project will be implemented as a pilot in one district (city) of the Republic of Karakalpakstan, regions and the city of Tashkent.

Schools will receive funds from the state budget at **150 times the base amount**.

Student choice shall determine their use for items needed for the school such as whiteboards, computers, and sports equipment.



**Thank you!**

