

## REFORMS AND PROSPECTS FOR THE DEVELOPMENT OF THE PARTICIPATORY BUDGETING INITIATIVE IN UZBEKISTAN

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**Annotation.** *This article highlights the ongoing work on improving the standard of living the population and solving socio-economic problems and shortcomings facing citizens, the active participation of citizens in the rational use of funds allocated from the state budget to improve local infrastructure and solving problems that have become a systemic issue, funds allocated within local budgets and state programs in the most demanded areas for the population, the implementation of a voting system on relevant proposals.*

**Keywords.** *Initiative budget, Open budget, Citizens' budget, information portal, state budget.*

In recent years, a number of measures have been carried out in the Republic of Uzbekistan aimed at improving the population's standard of living and addressing the socio-economic challenges and deficiencies that have long affected citizens. Among the highest priorities are improving local infrastructure and resolving long-standing systemic issues such as road maintenance, access to drinking water, natural gas supply, and the renovation of educational institution buildings.

In addition to the measures mentioned above, efforts to address these issues are being systematically implemented through allocations from the state budget, local budgets, and funds provided within the framework of various government programs.

To ensure citizens' engagement in these processes and enable them to take an active civic stance in allocating budget funds and addressing the social problems that directly affect their daily lives, the "Participatory Budgeting" mechanism was introduced..<sup>1</sup>

### What Is Participatory Budgeting?

Participatory budgeting is a democratic process that enables citizens to take part in allocating public budget funds and directing them toward solving local problems.

In other words, through this process, citizens identify priority issues in their communities, propose project ideas, vote on them, and monitor their implementation.

### Objectives of Participatory Budgeting

- The objectives of participatory budgeting include:
- Ensuring citizens' involvement in public governance;
- Promoting efficient use of state funds;
- Making decisions that take public needs into account;
- Addressing local issues with broad community participation;

<sup>1</sup> Information from the official website of the Ministry of Economy and Finance

- Enhancing social activity and responsibility.

In order to establish public oversight over the use of budget funds and to further engage citizens in the budgeting process, the President of the Republic of Uzbekistan issued Decree No. PQ-5072 on April 13, 2021.

According to this decree, starting from 2021, participatory budgeting processes have been implemented in all regions of the country in an updated format, with the aim of involving civil society more broadly in budgetary matters and addressing local social issues.

The participatory budgeting processes are carried out in accordance with the procedures established by the Regulation on the Conduct and Financing of Participatory Budgeting Processes, approved by Resolution No. KQ-666-IV of the Senate of the Oliy Majlis of the Republic of Uzbekistan on January 30, 2024.

Initially, participatory budgeting processes were held four times a year, at the end of each quarter. Currently, they are conducted twice a year.

The participatory budgeting process is conducted twice a year in two sessions:

- **First session:** February–March
- **Second session:** June–July

If necessary, the competent authority may adjust the timing of the sessions, provided that the wider public is duly informed.

**How are projects financed?** In the initial years of the participatory budgeting process, funding was sourced solely from district (or city) budgets, with only 10% of additional budget allocations being allocated for participatory projects. Currently, this share has been increased from 10% to 30%. Moreover, since 2021, a new procedure has been introduced whereby, in each region, one district or city allocates 5% of its approved total expenditures to finance projects formed based on public input. From 2022 onwards, this procedure has been fully implemented in all districts and cities.

At present, each district or city budget plans sufficient funds annually to support at least 10 and up to 30 projects under the participatory budgeting process. Funding for more than 10 projects is distributed proportionally based on the population of the respective district or city.<sup>2</sup>

For reference, the “Participatory Budgeting” project is not the sole mechanism for addressing all social issues in Uzbekistan. Each year, according to the Law on the State Budget, relevant expenditures for the construction (or reconstruction) and equipping of social sector facilities, as well as for the development of infrastructure, are planned and allocated from the state budget.

The main expected purpose of the participatory budgeting process is to involve the wider public in resolving long-standing social issues, in a manner distinct from the traditional budgeting system.

Participation in the participatory budgeting process is completely voluntary for citizens.

Currently, the project contributes to improving citizens’ financial literacy, enhancing their ability to make independent decisions, and fostering a stronger sense of engagement. While notable achievements have been made, it is also acknowledged that some shortcomings still exist.

All necessary measures are being implemented to further refine the system and create an even more convenient mechanism for citizens.

As citizens’ budget literacy increases, participatory budgeting not only provides them with the opportunity to engage in the budgeting process but also enables them to become aware of how their

<sup>2</sup> Pulatov D. et al. O ‘zbekistonda “Yashil” iqtisodiyotga o ‘tish va “Uglerod neytralligiga erishish” strategiyalarining ahamiyati //YASHIL IQTISODIYOT VA TARAQQIYOT. – 2024. – T. 1. – №. 4.

taxes are being spent. For instance, proactive citizens currently review project-estimate documents and monitor project implementation. In practice, they demand from builders details such as the precise amount of bitumen, gravel, or clinker required for paving one square meter of asphalt.



### “Projects Under Public Oversight”<sup>3</sup>

#### Projects Under Public Oversight

Participatory budgeting is not merely about selecting projects; it is an effective tool for strengthening trust between the public and the state. In Uzbekistan, this process allows citizens to influence their lives, prioritize community interests, and actively participate in public affairs.

Thus, every citizen can contribute to positive changes in their neighborhood, city, or district by participating in participatory budgeting.

#### Awareness-Raising Activities



Efforts to broadly engage the public in the participatory budgeting process include:

<sup>3</sup> X.Khamidov from the monograph "improving the mechanism of financing budget funds with the participation of citizens"

• Establishing “**focus groups**” with journalists and bloggers, and conducting dialogues to raise public awareness about participatory budgeting and to improve the “**Open Budget**” information portal;

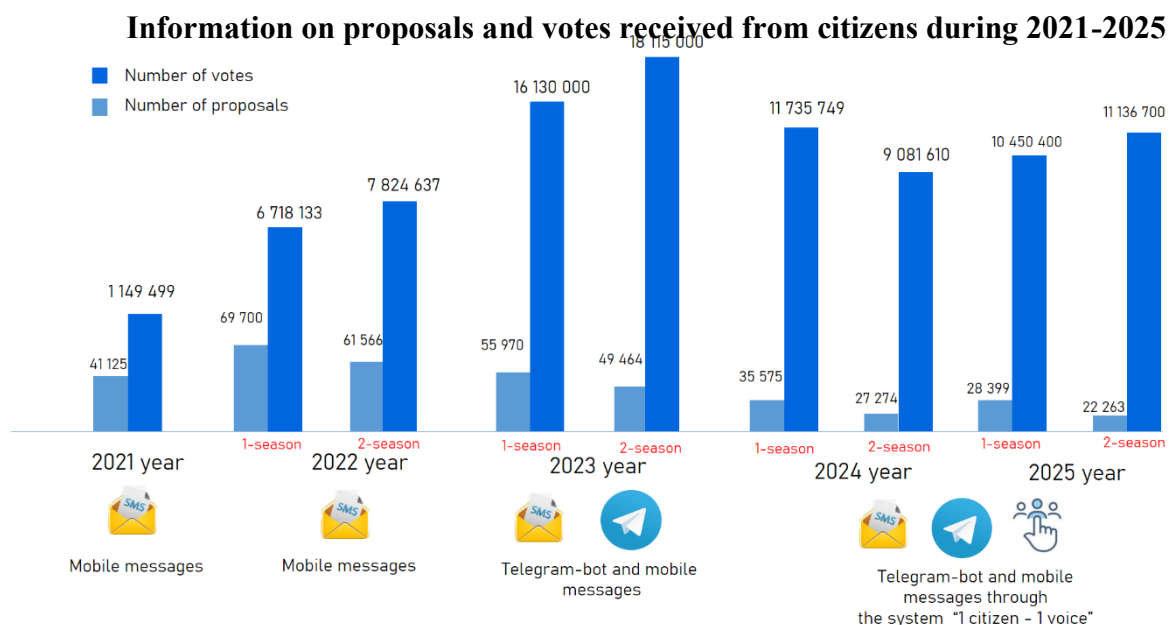
- Regular appearances and promotional campaigns in mass media;
- Organizing direct radio conversations with citizens through bloggers’ Telegram channels;
- Sending **SMS notifications** to each citizen about participation in the participatory budgeting process;
- Placing advertising videos in public transport (buses and metro) and other public spaces;
- Organizing television programs and press briefings.

For citizens living in remote areas and those without access to the internet, mobile teams and “Initiators’ Corners” have been established in neighborhood buildings. Additionally, “Voting Fairs” are being organized to facilitate their participation.

For reference, during the **participatory budgeting** processes held between 2021 and 2025, a total of **20,047 winning projects** were identified, with **20.666 trillion Uzbek soums** allocated to them.

#### As a result:

- Projects related to the repair of **6,425 local roads**, totaling **7.406 trillion soums**, were implemented, covering over **6,000 km** of internal roads;
- **6,376 general education schools**, worth **5.576 trillion soums**, were renovated;
- **906 pre-school institutions**, worth **661 billion soums**, were upgraded;
- A total of **2,294 healthcare facilities**, amounting to **2.323 trillion soums**, were repaired and their material and technical base renewed.<sup>4</sup>



<sup>4</sup> . Database of the information portal" open budget"

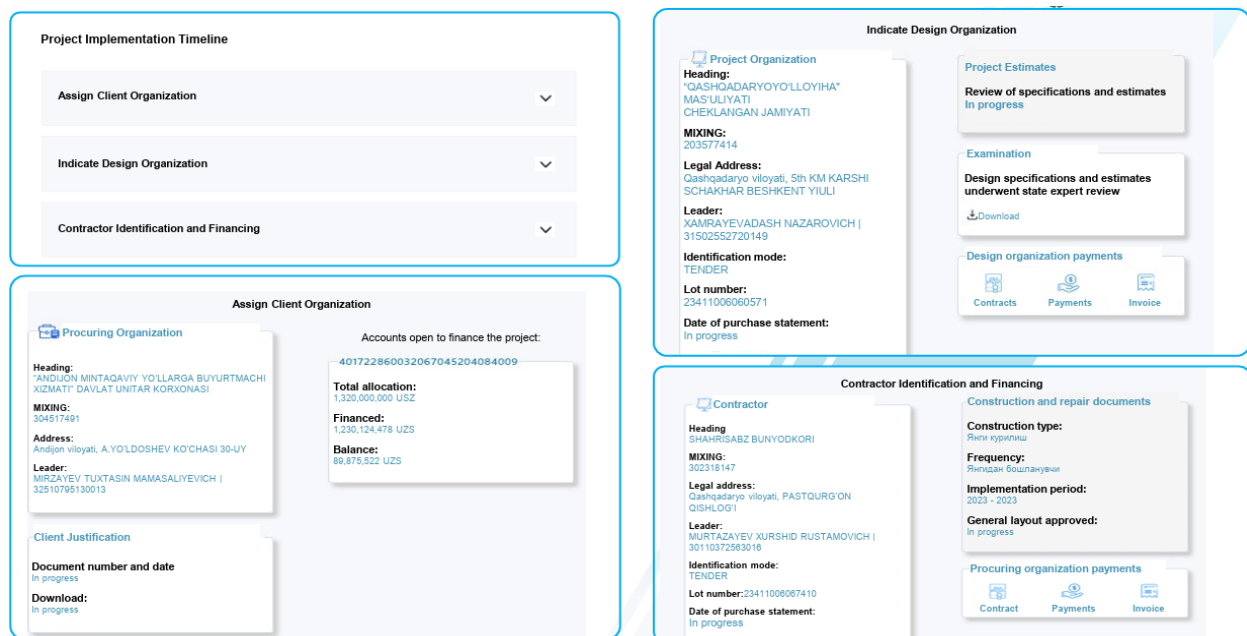


On August 29, 2025, the President of the Republic of Uzbekistan issued Decree No. PQ-264 on “Measures to Strengthen Cooperation between People’s Deputies and Voters within the Framework of Improving the Participatory Budgeting Process.”

According to the decree, starting from 2026, in order to enhance cooperation between people’s deputies and voters, a new practice will be introduced whereby projects that did not win in the participatory budgeting process can be declared winners upon the initiative of deputies.

Additionally, from 2026, a co-financing mechanism for social projects between citizens and the state will be implemented. Under this mechanism, if citizens voluntarily fund 50% of the project cost, the project will automatically be declared a winner, while the remaining 50% will be financed from the state budget of the Republic of Uzbekistan.

### Participatory Budgeting Projects Implementation Time line<sup>5</sup>

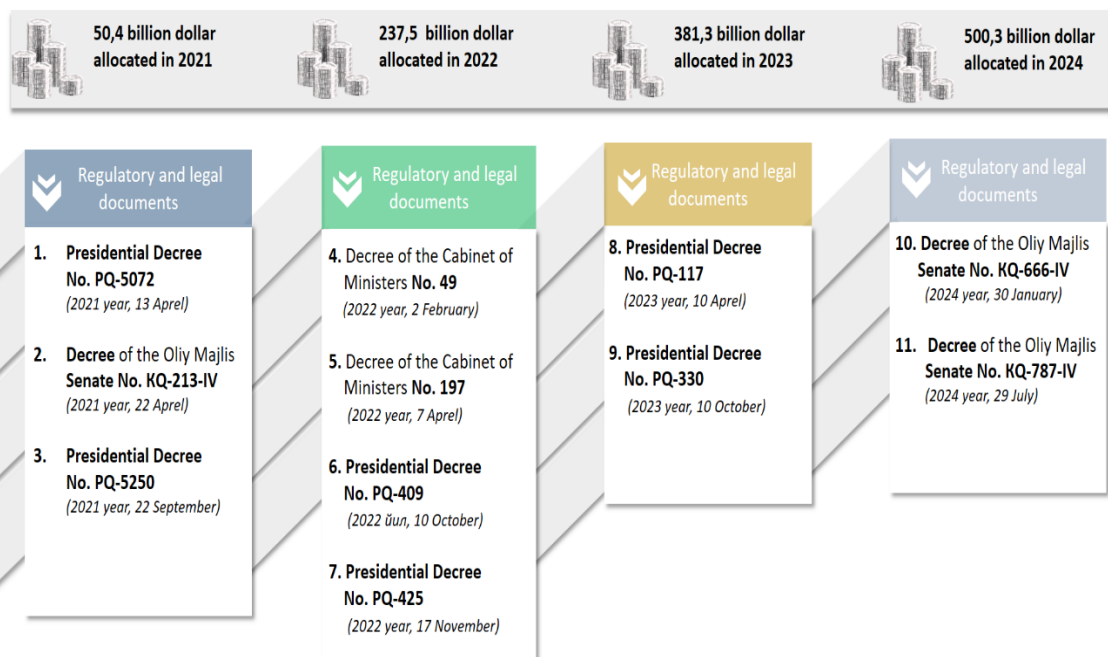


In addition, an **interactive map of winning projects** from the participatory budgeting process has been launched on the “**Open Budget**” information portal.

This allows users to access information on the list, number, and other details of winning projects across different regions.

<sup>5</sup> Aynura Bakaybaeva Division Head in the State Budget Department, Ministry of Economy and Finance, Republic of Uzbekistan, Chair of PEMPAL BCOP (chrome-extension://efaidnbmninnbpcapjpcgclcfndmkaj/https://www.pempal.org/sites/default/files/event/attachments/uzbekistan\_presentation\_on\_budget\_openness\_eng.pdf?utm\_source=chatgpt.com)

**Regulatory and legal documents adopted during 2021-2025  
to support and further improve  
the "Participatory Budgeting" in Uzbekistan<sup>6</sup>**



The portal enables the authors of winning projects to **monitor all stages of project implementation** and assess the completed work in real time. However, citizens are not allowed to interfere in other aspects of project execution, such as selecting contractors, performing the work themselves, or preparing project-estimate documents.

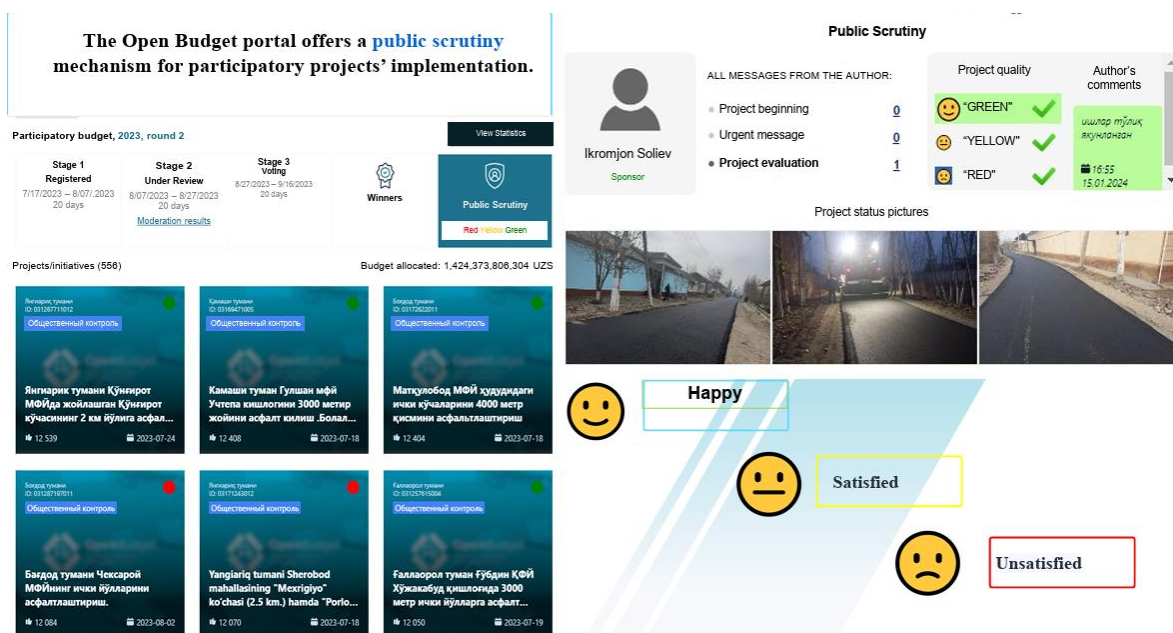
Within the framework of public oversight, citizens can **submit "Urgent Reports"** through the portal if they observe violations of the law or deficiencies during project implementation. Such reports are displayed on the relevant regional page of the portal as problematic cases. The issues reported must be clarified by the project initiator, and the report remains under public monitoring until the identified problems are fully resolved.

After the completion of projects, the work carried out by the initiators is evaluated on the portal's Public Oversight section using "green," "yellow," and "red" categories.

For projects classified as "red," the relevant district or city authorities take measures to address the identified deficiencies.

Projects are officially handed over for use only after their full completion and after the initiators, the neighborhood head, and active community members confirm their satisfaction with the quality of the work.

<sup>6</sup> Aynura Bakaybaeva Division Head in the State Budget Department, Ministry of Economy and Finance, Republic of Uzbekistan, Chair of PEMPAL BCOP

Public Scrutiny of Participatory Projects' Implementation<sup>7</sup>

For the people of Uzbekistan, celebrating the successes achieved through the participatory budgeting process has become a cherished tradition. At the end of each session, citizens joyfully come together, cooking large communal meals and welcoming these moments with genuine enthusiasm, much like a grand festival.

This project has once again demonstrated that **unity brings strength**, and that collaboration is at the heart of finding solutions to any challenge. It has also dispelled the widespread misconception that “Only certain people gather for communal meals.”

In conclusion, this project has already made its mark in history—a history written by our hardworking and dedicated people.

### References:

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<sup>7</sup> Aynura Bakaybaeva Division Head in the State Budget Department, Ministry of Economy and Finance, Republic of Uzbekistan, Chair of PEMPAL BCOP (chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.pempal.org/sites/default/files/event/attachments/uzbekistan\_presentation\_on\_budget\_openness\_eng.pdf?utm\_source=chatgpt.com)