

# Reforms and Prospects of Involving Citizens in Budget Processes in Uzbekistan

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**Abstract-** 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

## I. INTRODUCTION

The main objectives of the public finance management system are to bring the public finance management system to a new level and further strengthen budget discipline, increase the transparency of the fiscal system, increase the efficiency and effectiveness of the use of the state budget funds of the Republic of Uzbekistan.

At the same time, enhancing public participation in the budget process will ensure that the objectives of the fiscal policy are consistent with the needs of citizens and government accountability.

As part of reforms undertaken in the republic, it has become relevant today to take measures to further expand the involvement of the citizens in the budget process, as well as the widespread use of mechanisms to ensure the participation of public in the discussion of priority and main directions of fiscal policy in the medium term.

In order to ensure the accelerated development of the national economy and maintain high growth rates in accordance with the adopted **Strategy for Development of the New Uzbekistan for 2022-2026**, the allocation of at least 5 percent from the budget of each district has been set for addressing the most relevant issues identified on the basis of proposals of citizens under the Citizens' Budget program.

Initiative budgeting is a mechanism that provides citizens to participate in the budget process aimed at addressing infrastructure issues of regions. Now, the concept of "Initiative Budget" has firmly in the consciousness of our people and has taken a worthy place in society. This demonstrates the increased expansion of civic participation in the budget process in our country, the willingness of organizing joint work to solve problems, as well as strengthening of public confidence in spending budget funds.

## II. LITERATURE REVIEW

This process is currently being improved on the following directions:

2019 – a mechanism of initiative budgeting implemented which ensures the allocation from local budgets to finance initiatives formed on the basis of public opinion (PR-3917 dated 22.08.2018);

2020 – allocation of 10% from additional sources of local budgets stipulated in the Law on State budget (LRU-589 dated 09.12.2019);

2021 – initiative budgeting process of distribution funds from local budgets expanded (additional 57,9 bln soum to local budgets, where Civil initiatives fund accumulated less than 1 bln. soum and 59,5 bln. soum to local budgets, where more than 100 projects submitted through the Portal) (PR-5072 dated 13.04.2021);

2022 – 5% of expenditures of local budgets directed for initiatives put forward by citizens to improve local infrastructure (PR-5072 dated 13.04.2021).

According to the Resolution of the President of the Republic of Uzbekistan "On measures to ensure budget transparency and active citizens' participation the budget process" (PR-3917 dated 22.08.2018), the information portal "Open Budget" was launched on January 1, 2019, on which "Initiative budgeting" process will be carried out.

In order to expand the process of initiative budgeting, as well as the broad involvement of the public in the budget process, the functioning of the Open Budget portal has been improved, including:

- the adaptation of the portal to the process of suggesting and selecting activities informed by public opinion that is proposed for financing with local budgets;

- a broader citizens' engagement in the budget process and voting;

- measures to improve the user experience when using the portal on all devices;

According to the existing procedure for initiative budgeting, the process is carried out twice a year in the following stages of implementing public initiatives:

1. submission of projects by citizens (on local infrastructure issues);
2. selection of proposals by Selection Committee according to a set of criteria;
3. putting to voting process of pre-selected projects;
4. identification of winning projects;
5. monitoring and supervision of implementation of winning projects.

In particular, the first phase of initiative budgeting will be held on February - March, the second phase on July - August.

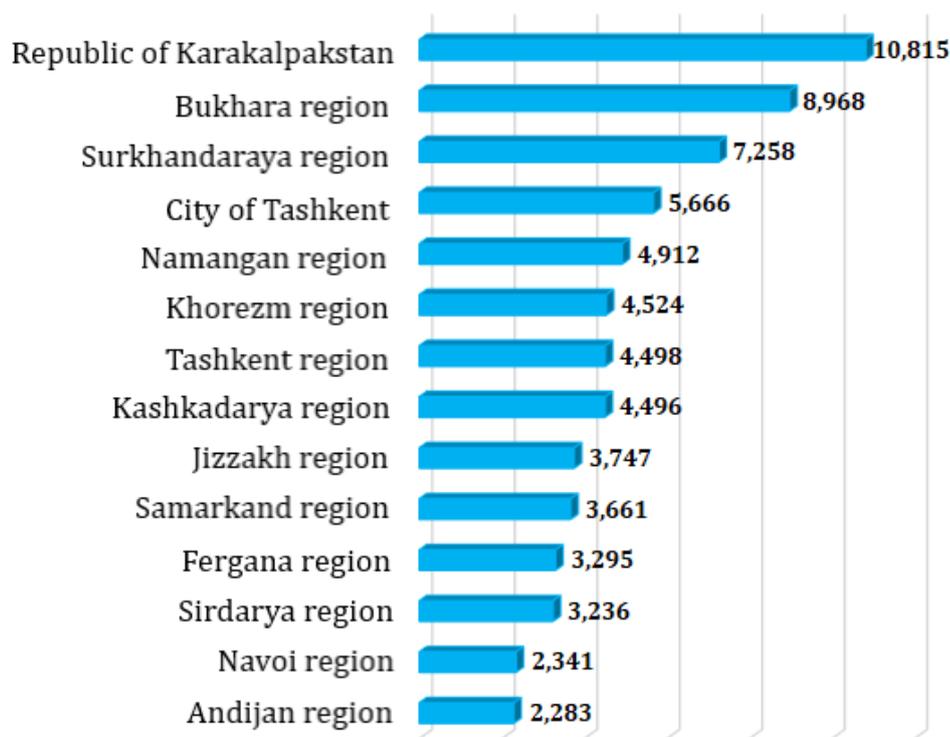
As of April 1, 2022, amount of 1,1 trln soums were transferred to the Civil initiatives fund of districts (cities) for the projects.

As a result of the initiative budgeting for the first quarter of 2022, over 70 thousand projects were initiated by citizens and received almost 7 mln. votes which indicates a mechanism is being widespread among citizens.

### III. ANALYSES AND RESULTS

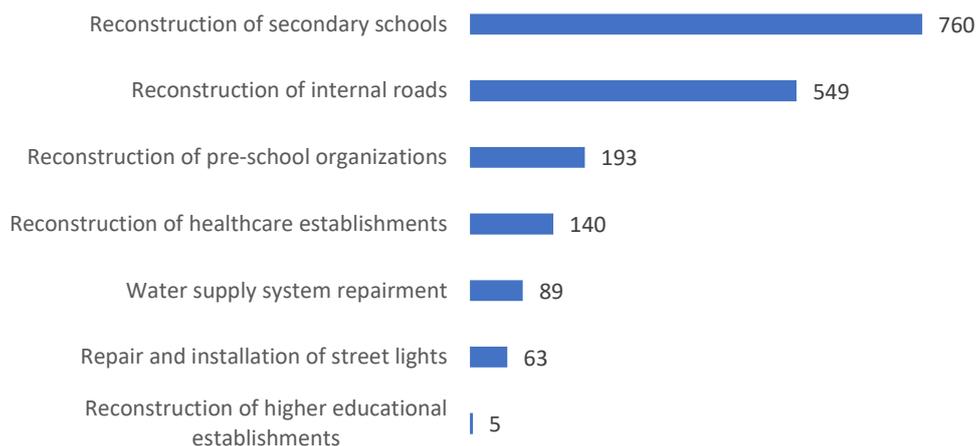
Of initiated projects by public 25% of total projects were on reconstruction of internal roads, 15% – reconstruction and equipment of secondary schools, 6% related to the reconstruction and equipment of preschool educational institutions.

#### Submitted projects by regions



According to preliminary estimates, by the end of the voting process, 2 215 projects (with a total of 4,4 mln votes) were recognized as the winners.

## Distribution of winning projects by spheres



In particular, 760 projects of total were on reconstruction of educational institutions, 549 projects – repair of internal roads, 89 of which were on repair of water supply, sewerage and irrigation systems.

In accordance with the Resolution of the Republic of Uzbekistan PR-197 on 07.04.2022 was envisaged additional allocation for 139 projects from republican budget. In order to further support of civil participation in the process of initiative budgeting held in the first quarter of 2022, as well as elimination urgent issues reflected in the proposals put forward by public in a possible time framework for implementing 139 projects, which gained over 2000 votes but were not recognized as winners was allocated 85,4 bln soum.

## Total amount of allocation for additionally proposed projects

#	Regions	Projects declared as winners	Additionally proposed projects	
			Projects	Amount (mln. soum)
<b>TOTAL</b>		<b>2 215</b>	<b>139</b>	<b>85 449,8</b>
1	Tashkent region	223	7	5 310
2	Fergana region	204	43	21 185
3	Samarkand region	204	5	2 910
4	Kashkadarya region	186	4	2 742
5	City of Tashkent	182		
6	Sirdarya region	151	3	2 940
7	Bukhara region	151	7	4 207
8	Andijan region	150	11	8 131
9	Namangan region	145	17	11 525
10	Surkhandarya region	141	19	11 956
11	Republic of Karakalpakstan	136		
12	Khorezm region	134	6	2 350
13	Navoi region	124	10	5 963
14	Jizzakh region	84	7	6 230

As a result, citizens who received more than 480 thousand votes were able to achieve the implementation of projects that were considered relevant. Accordingly, the issues associated with 76 secondary schools, 23 internal roads, and 13 preschool educational institutions will be resolved.

The process of initiative budgeting is becoming increasingly popular in our republic, which is being able to see the participation of citizens in this process with projects and voting. In addition, considering the projects are socially significant, further involvement of citizens in the mechanism of initiative budgeting is vital.

#### **IV. CONCLUSIONS**

According to the project on reconstruction of the bridge, submitted by Rustam Tulaev, a resident of the Karshi district of Kashkadarya region, who received 1 821 votes allocated 973 mln soums. Currently, a proposal for this initiative has been completed.

At the same time, the project on the reconstruction of a healthcare facility in this district received 758 votes and was declared the winner in the initial budgeting process. As well as 968 million soums were allocated for the project of Citizen Shukhratbek Jalilov, reconstruction of the rural medical center was completed and commissioned to the public.

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