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

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**Abstract:** This article examines the ongoing efforts aimed at improving the population's standard of living, addressing socio-economic challenges in a consistent manner, and enhancing citizens' active participation in the rational allocation of state budget funds. It highlights the significance of modernizing local infrastructure, directing resources to priority sectors, and implementing a transparent voting system for public proposals. The study emphasizes the role of participatory budgeting in strengthening civic engagement, increasing budget transparency, and ensuring efficient public resource management.

**Key words:** participatory budgeting, open budget, citizens' budget, information portal, state budget.

**Annotatsiya:** Ushbu maqolada aholining turmush darajasini oshirish, ijtimoiy-iqtisodiy muammolarni bosqichma-bosqich bartaraf etish hamda fuqarolarning davlat budjeti mablag'laridan oqilona foydalanish jarayonidagi ishtiroki yoritiladi. Shuningdek, mahalliy infratuzilmani modernizatsiya qilish, aholi uchun eng dolzarb hisoblangan sohalarga mablag' yo'naltirish va takliflar bo'yicha ovoz berish tizimini joriy etishning amaliy ahamiyati tahlil qilinadi. Tadqiqotda ishtirokchi budjetlash mexanizmining aholi faolligini oshirish, ochiqlik va samaradorlikni ta'minlashdagi roli asoslab berilgan.

**Kalit so'zlar:** ishtirokchi budjet, ochiq budjet, fuqarolar budjeti, axborot portali, davlat budjeti.

**Аннотация:** В статье рассматриваются системные меры по повышению уровня жизни населения, последовательному решению социально-экономических задач и расширению участия граждан в рациональном использовании средств государственного бюджета. Особое внимание уделено модернизации местной инфраструктуры, направлению финансовых ресурсов в наиболее востребованные сферы и внедрению прозрачной системы голосования по общественным инициативам. В исследовании обоснована значимость инициативного бюджетирования для повышения гражданской активности, открытости и эффективности бюджетного процесса.

**Ключевые слова:** инициативное бюджетирование, открытый бюджет, бюджет граждан, информационный портал, государственный бюджет.

## INTRODUCTION

In recent years, the Republic of Uzbekistan has undertaken a broad set of measures aimed at improving the population's standard of living and systematically addressing socio-economic challenges that have long influenced the well-being of citizens. Priority attention has been directed toward the modernization of local infrastructure and the resolution of long-standing systemic issues, including road maintenance, access to quality drinking water, natural gas supply, and the renovation of educational institution buildings. These efforts reflect the state's commitment to enhancing the quality of public services and ensuring balanced regional development.

In parallel with these initiatives, targeted actions are being consistently implemented through allocations from the state budget, local budgets, and various government programs designed to support social and infrastructural improvements. To further strengthen public participation and enable citizens to take an active role in the decision-making process related to budget allocation and the resolution of issues affecting their daily lives, the "Participatory Budgeting" mechanism has been introduced. This mechanism promotes civic engagement, increases transparency, and supports the efficient distribution of financial resources in accordance with community priorities<sup>1</sup>.

<sup>1</sup> Information from the official website of the Ministry of Economy and Finance: <https://gov.uz/en/imv>

## LITERATURE REVIEW

Recent academic research underscores the increasing significance of participatory budgeting as a mechanism for strengthening public engagement and enhancing the transparency of government expenditures. Wampler notes that participatory budgeting promotes citizen empowerment by enabling communities to influence local investment decisions and to monitor the allocation and utilization of public funds. Likewise, Cabannes emphasizes its contribution to advancing social equity by directing financial resources toward priority needs within vulnerable population groups. According to the World Bank, open budget practices substantially enhance institutional accountability and public trust, particularly when supported by digital platforms that broaden opportunities for citizen participation.

Further studies by Shah demonstrate that participatory mechanisms improve fiscal efficiency by aligning budget allocations with community preferences and by reducing information asymmetry between the state and the public. In the context of developing countries, McNulty observes that participatory budgeting supports sustainable local development by fostering constructive collaboration between authorities and residents. Collectively, these findings indicate that participatory budgeting represents a key instrument for reinforcing democratic governance, improving budget transparency, and ensuring more effective and equitable delivery of public services.

## RESEARCH METHODOLOGY

This study employs a qualitative research design grounded in the systematic examination of regulatory documents, official statistics, and policy reports related to participatory budgeting in Uzbekistan. Key legislative acts, including presidential decrees and national budgeting regulations, were analyzed to identify institutional reforms and the evolving mechanisms that shape public participation in the budgeting process. Additionally, analytical materials from the Ministry of Economy and Finance and the Open Budget information portal were reviewed to assess operational procedures, financial allocation rules, and transparency measures implemented within the participatory budgeting framework.

Furthermore, descriptive statistical data covering the 2021–2025 period were evaluated to determine project outcomes, funding distribution, and levels of citizen engagement. The study also incorporates elements of comparative content analysis to assess the effectiveness of participatory budgeting in relation to international best practices. This methodological approach provides a comprehensive basis for understanding how participatory budgeting contributes to improving public service delivery, strengthening civic involvement, and enhancing accountability across Uzbekistan's budget system.

## ANALYSIS AND RESULTS

Participatory budgeting represents a democratic mechanism that enables citizens to participate directly in the allocation of public budget funds and in determining priority solutions to local issues. Through this process, community members identify key problems within their neighborhoods, propose project ideas, vote for the most relevant initiatives, and subsequently monitor their implementation. The overarching objectives of participatory budgeting include ensuring citizens' engagement in public governance, promoting the efficient use of state funds, aligning decision-making with public needs, strengthening community-based problem-solving, and enhancing social responsibility and civic activity.

To institutionalize public oversight of budget expenditures and to further expand citizen involvement, the President of the Republic of Uzbekistan issued Decree No. PQ-5072 on April 13, 2021<sup>2</sup>. Beginning in 2021, participatory budgeting has been implemented across all regions in an updated format to broaden civil society participation in budgetary processes and to support the resolution of local social issues. These activities are carried out in accordance with 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 on January 30, 2024<sup>3</sup>. Initially organized four times per year, the participatory budgeting cycle is now conducted twice annually in two sessions—February–March and June–July—with adjustments permitted when necessary, provided that the public is properly informed.

Project financing arrangements have also evolved. In the early stages, funding originated solely from district or city budgets, with only 10 percent of additional budget allocations directed toward participatory initiatives. This share has since increased to 30 percent. Furthermore, since 2021, each region designates

2 Resolution of the President of the Republic of Uzbekistan, 13.04.2021 . № RP-5072 <https://lex.uz/docs/7577624>

3 Resolution of the Senate Council of the Oliy Majlis of the Republic of Uzbekistan, No. KQ-666-IV dated 30.01.2024 <https://lex.uz/uz/docs/6790170>

one district or city to allocate 5 percent of its approved total expenditures to projects formed on the basis of public input, and from 2022 onward this procedure has been fully adopted nationwide. Currently, every district or city annually allocates sufficient resources to support at least 10 and up to 30 participatory projects, with funding for additional projects distributed proportionally to population size. These improvements collectively aim to strengthen community participation, increase financial transparency, and ensure that public resources are directed to the most socially significant needs<sup>4</sup>.

For reference, the Participatory Budgeting initiative is not the sole instrument for addressing social issues in Uzbekistan. Each year, in accordance with the Law on the State Budget, expenditures for the construction, reconstruction, and equipping of social sector facilities, as well as for infrastructure development, are planned and allocated within the overall budgetary framework. The core purpose of participatory budgeting is to expand public involvement in resolving long-standing social challenges through mechanisms that differ from the traditional budgeting system.

Participation in the participatory budgeting process is entirely voluntary for citizens. At present, the initiative contributes to enhancing financial literacy, strengthening independent decision-making skills, and fostering a higher degree of civic engagement. Although significant progress has been achieved, continuous improvement efforts remain essential to ensure greater accessibility and effectiveness. Ongoing measures aim to refine the system and create a more convenient and user-oriented mechanism for citizens.

As citizens' budget literacy advances, participatory budgeting not only enables meaningful engagement in budgeting decisions but also increases awareness of how tax revenues are utilized. For example, proactive participants now review project-estimate documentation and monitor implementation processes, often requesting clarification on specific technical details such as the precise quantities of bitumen, gravel, or clinker required for paving one square meter of asphalt. This growing attentiveness reflects a positive trend toward stronger public oversight and accountability (Picture 1).



Picture 1. "Projects Under Public Oversight"<sup>5</sup>

Projects carried out under public oversight illustrate that participatory budgeting is not limited to selecting initiatives; rather, it serves as an important mechanism for strengthening mutual trust between the public and the state. In Uzbekistan, this process enables citizens to influence decisions that affect their daily lives, prioritize community interests, and participate more actively in public governance. As a result, every citizen has the opportunity to contribute to positive and sustainable changes within their neighborhood, city, or district through active involvement in participatory budgeting.

Extensive efforts are being made to enhance public engagement in this process. These efforts include establishing focus groups with journalists and bloggers to foster dialogue and improve public awareness, as well as strengthening the functionality of the "Open Budget" information portal. Media outreach activities—such as promotional campaigns, direct radio conversations hosted through bloggers' Telegram channels, SMS notifications, and informational videos placed on public transport—serve to broaden citizen participation. Additionally, television programs and press briefings support wider dissemination of information. To ensure inclusiveness for residents of remote areas or those without internet access, mobile teams and specially designated "Initiators' Corners" in neighborhood buildings have been introduced. Moreover, "Voting Fairs" are organized to facilitate convenient participation for a broader segment of the population. Collectively, these measures reinforce civic engagement and contribute to a more transparent and participatory budgeting system (Picture 2).

<sup>4</sup> Pulatov, D., et al. *The Importance of Transitioning to a "Green" Economy and the Strategy for Achieving "Carbon Neutrality" in Uzbekistan. // Green Economy and Development, 2024, Vol. 1, No. 4.*

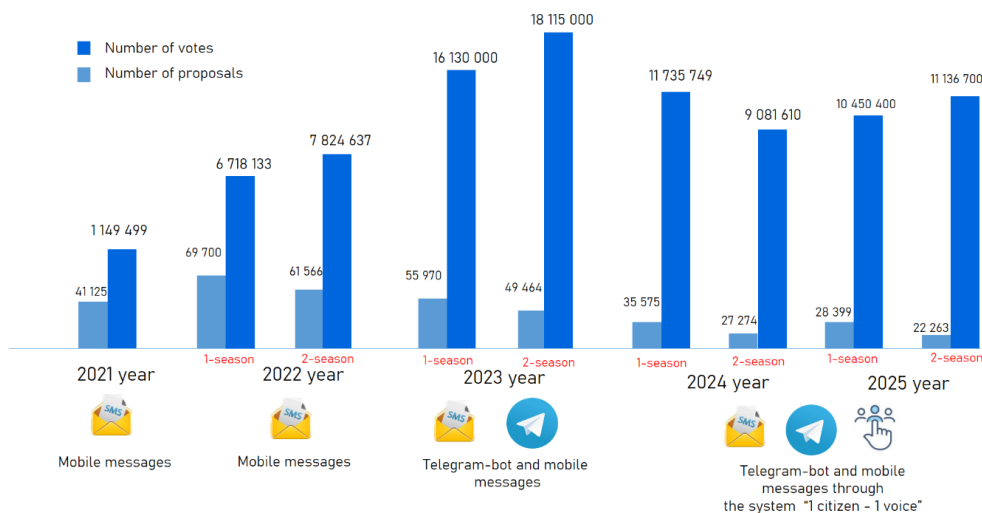
<sup>5</sup> From X. Khamidov's monograph *"Improving the Mechanism of Financing Budget Funds with Citizen Participation."*



Picture 2. Awareness-Raising Activities

For reference, during the participatory budgeting processes conducted between 2021–2025, a total of 20,047 winning projects were identified, with 20.666 trillion Uzbek soums allocated for their implementation. The outcomes of these projects demonstrate significant progress across various sectors. In particular, substantial investments were directed toward improving the transport and social infrastructure of local communities. Repair work was carried out on 6,425 local roads, amounting to 7.406 trillion soums and covering more than 6,000 kilometers of internal road networks. Additionally, 6,376 general education schools received renovation funding totaling 5.576 trillion soums, thereby contributing to improved learning environments.

Pre-school education facilities also benefited from these efforts, with 906 institutions upgraded at a cost of 661 billion soums. Furthermore, 2,294 healthcare institutions were repaired and modernized, with 2.323 trillion soums allocated to strengthen their material and technical capacity. Collectively, these achievements highlight the positive impact of participatory budgeting on enhancing public infrastructure and expanding access to essential social services throughout the country (Picture 3).<sup>6</sup>



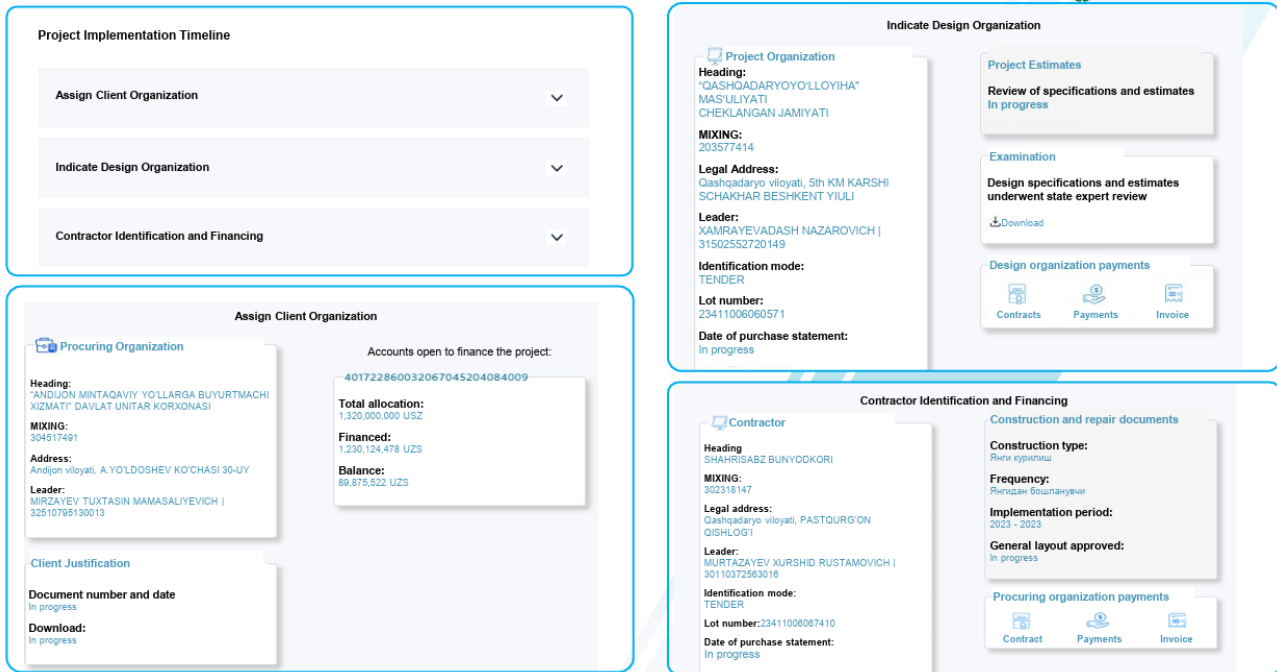
Picture 3. Information on proposals and votes received from citizens during 2021-2025

On August 29, 2025, the President of the Republic of Uzbekistan issued Decree No. RP-264 titled<sup>7</sup> “Measures to Strengthen Cooperation between People’s Deputies and Voters within the Framework of Improving the Participatory Budgeting Process.” According to this decree, beginning from 2026, a new practice will be introduced to further enhance collaboration between people’s deputies and voters. Under this practice, projects that did not initially win during the participatory budgeting process may be recognized as winners based on the official initiative of deputies, thereby expanding opportunities for addressing socially significant needs.

<sup>6</sup> The database of the “Open Budget” information portal.

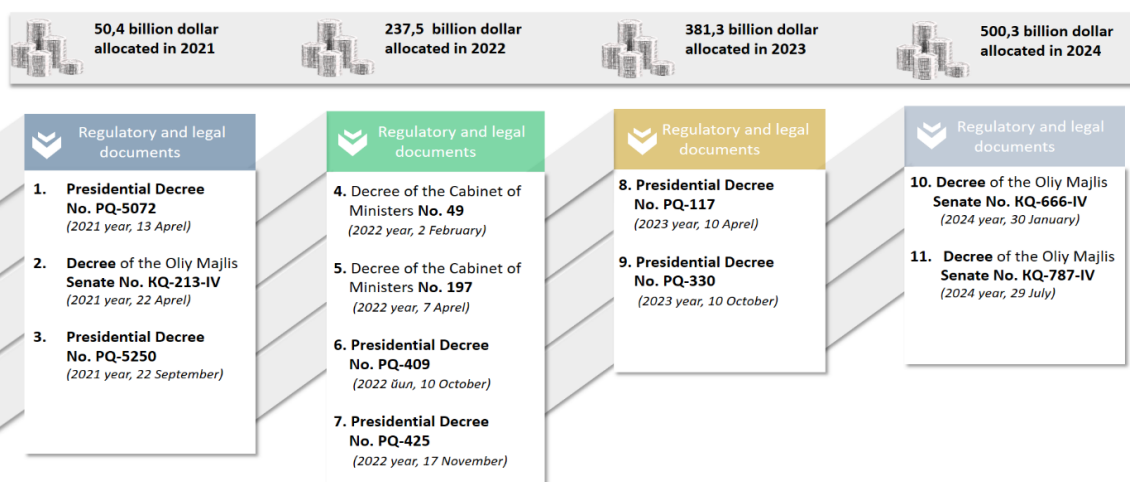
<sup>7</sup> Resolution of the President of the Republic of Uzbekistan, 29.08.2025 № RP-264 <https://lex.uz/uz/docs/7712039>

Furthermore, starting from 2026, a co-financing mechanism for social projects involving citizens and the state will be implemented. In accordance with this mechanism, if citizens voluntarily contribute 50 percent of a project’s total cost, the project will automatically be declared a winner, while the remaining 50 percent will be financed from the State Budget of the Republic of Uzbekistan. This approach is expected to strengthen civic engagement, promote shared responsibility, and support the implementation of community-driven development initiatives (Picture 4).



Picture 4. Participatory Budgeting Projects Implementation Time line<sup>8</sup>

In addition, an interactive map displaying the winning projects of the participatory budgeting process has been introduced on the “Open Budget” information portal. This digital tool enables users to conveniently access comprehensive information about winning projects across different regions, including their categorization, quantity, geographical distribution, and other relevant details. By enhancing data accessibility and visualization, the interactive map strengthens public oversight and supports greater transparency within the budgeting system (Picture 5).



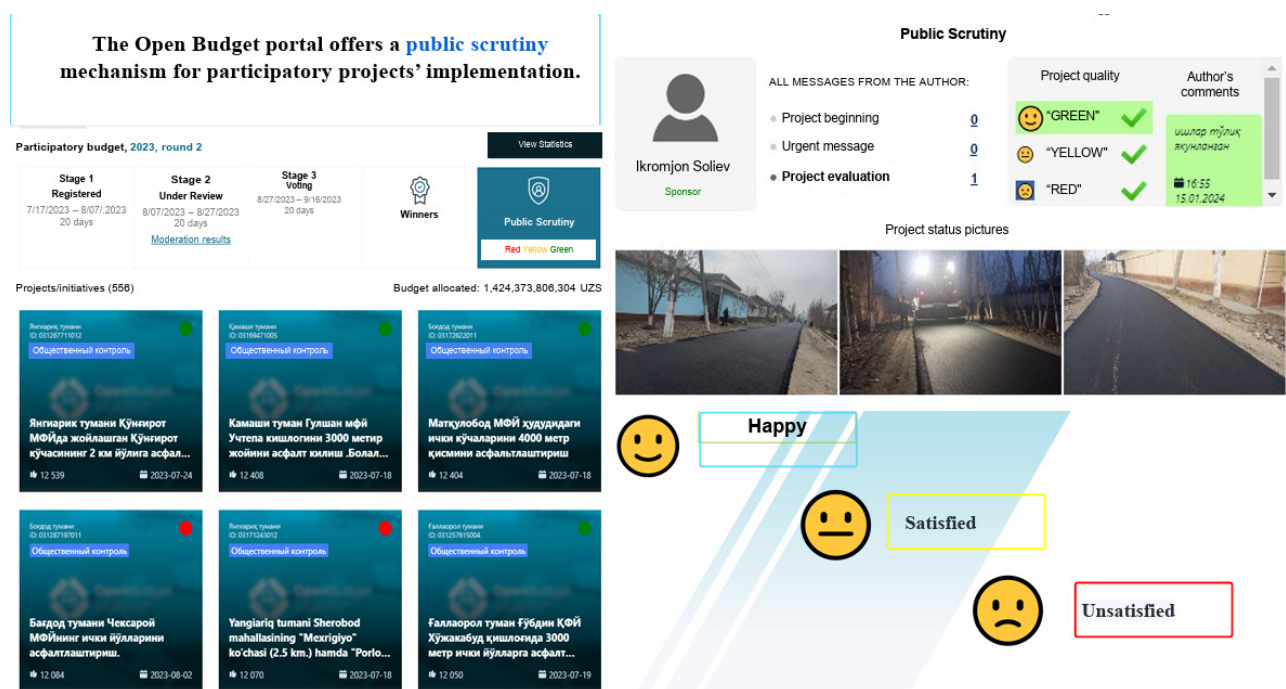
Picture 5. Regulatory and legal documents adopted during 2021-2025 to support and further improve the “Participatory Budgeting” in Uzbekistan<sup>9</sup>

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

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

The portal enables the authors of winning projects to monitor all stages of project implementation and to assess completed work in real time. At the same time, citizens are not permitted to intervene in specific technical aspects of project execution, such as contractor selection, direct performance of construction work, or the preparation of project-estimate documentation. Within the framework of public oversight, however, citizens may submit “Urgent Reports” through the portal if they observe legal violations or deficiencies during implementation. These reports are displayed on the corresponding regional page as cases requiring attention, and the project initiator is responsible for providing clarification. Each report remains under public monitoring until the identified issues are fully resolved.

Upon completion of projects, the work conducted by initiators is evaluated in the portal’s Public Oversight section using three categories: “green,” “yellow,” and “red.” When a project falls into the “red” category, the relevant district or city authorities are required to take corrective measures to address the noted shortcomings. Projects are officially accepted for use only after full completion and after the initiators, the neighborhood leadership, and active community members confirm their satisfaction with the quality and reliability of the work performed (Picture 6).



Picture 6. Public Scrutiny of Participatory Projects’ Implementation<sup>10</sup>

## CONCLUSION AND RECOMMENDATIONS

For the people of Uzbekistan, celebrating the achievements of the participatory budgeting process has gradually become a valued social tradition. At the conclusion of each session, citizens come together in a spirit of unity, preparing communal meals and welcoming these occasions with sincere enthusiasm, reminiscent of a nationwide celebration. This collective joy reflects the deep sense of ownership and involvement fostered by the initiative.

The participatory budgeting experience has once again demonstrated that cooperation strengthens communities and that collaborative efforts lie at the core of addressing shared challenges. Moreover, the project has helped dispel misconceptions regarding public participation in communal activities by illustrating that large gatherings can serve as inclusive symbols of solidarity. In conclusion, this initiative has already secured its place in the country’s modern history—a history shaped by the dedication, active engagement, and collective responsibility of the Uzbek people.

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<sup>10</sup> Aynura Bakaybaeva Division Head in the State Budget Department, Ministry of Economy and Finance, Republic of Uzbekistan, Chair of PEMPAL BCOP (chrome-extension://efaidnbmninnibpcjgclcfndmka/https://www.pempal.org/sites/default/files/event/attachments/uzbekistan\_presentation\_on\_budget\_openness\_eng.pdf?utm\_source=chatgpt.com)

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